

# uMLALAZI MUNICIPALITY



## BUDGET AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) COMMENCING IN 2014/2015

29 MAY 2014

Copies of this document can be viewed:

- In the foyers of all municipal buildings
- All public libraries within the municipality
  - At [www.umlalazi.org.za](http://www.umlalazi.org.za)

<p style="text-align: center;"><b>TABLE OF CONTENTS</b>  <b>BUDGET AND MTREF STARTING 2014/2015</b></p>
---

**PART 1- ANNUAL BUDGET**

1.	MAYOR'S REPORT	2 - 5
2.	BUDGET RELATED RESOLUTIONS	6 - 8
3.	EXECUTIVE SUMMARY	9 - 25
4.	ANNUAL BUDGET TABLES	26 - 40

**PART 2- SUPPORTING DOCUMENTATION**

5.	OVERVIEW OF ANNUAL BUDGET PROCESS	41 - 52
6.	OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN	53 - 65
7.	MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	66 - 69
8.	OVERVIEW OF BUDGET RELATED POLICIES	70 - 81
9.	OVERVIEW OF BUDGET ASSUMPTIONS	82 - 84
10.	OVERVIEW OF BUDGET FUNDING	85 - 98
11.	EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES	99 - 100
12.	COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS	101 - 104
13.	MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASHFLOW	105 - 107
14.	CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	108
15.	CAPITAL EXPENDITURE DETAILS	109 - 112
16.	LEGISLATION COMPLIANCE STATUS	113 - 114
17.	MUNICIPAL MANAGER'S QUALITY CERTIFICATE	115

**PART 3- ANNEXURES**

TARIFFS (ANNEXURE 1)	116 - 127
----------------------	-----------

## ABBREVIATIONS AND ACRONYMS

COGTA	-	Co-Operative Governance and Traditional Affairs
CPI	-	Consumer Price Index
DORA	-	Division of Revenue Act
GRAP	-	Generally Recognised Accounting Practice
IBT	-	Inclining Block Tariff
IDP	-	Integrated Development Plan
KDS	-	King Dinuzulu Suburb
KWH	-	Kilowatt Hour
LED	-	Local Economic Development
LG	-	Local Government
MIG	-	Municipal Infrastructure Grant
MFMA	-	Municipal Finance Management Act
MPRA	-	Municipal Property Rates Act
MSIG	-	Municipal Systems Improvement Grant
MTREF	-	Medium Term Revenue and Expenditure Framework
NERSA	-	National Electricity Regulator of South Africa
PMU	-	Project Management Unit
PPE	-	Property Plant and Equipment
SALGA	-	South African Local Government Association
SALGBC	-	South African Local Government Bargaining Council
SDBIP	-	Service Delivery and Budget Implementation Plan



## MAYOR'S REPORT

### 2014/2015 BUDGET PRESENTATION BY HIS WORSHIP THE MAYOR COUNCILLOR TB ZULU AT THE UMLALAZI COUNCIL MEETING HELD IN THE ESHOWE COUNCIL CHAMBERS ON THURSDAY, 29 MAY 2014.

Madame Speaker, Councillors, Officials and members of the public I wish to present an overview of the Budget and Medium Term Revenue and Expenditure Framework (MTREF) starting in 2014/2015, for the uMlalazi Municipality. The Budget and MTREF has been compiled in terms of the provisions of the Local Government: Municipal Finance Management Act, MFMA circulars 70 and 72, as well as the MFMA Budget and Reporting Regulations.

The 2014 Budget Review notes that while twenty years of democracy have brought enduring achievements for South Africa, there is no room for complacency, we have to continue to work hard as uMlalazi Municipality, together with all other organs of government to make lives of our people better. To overcome apartheid's spatial legacy, the provision of housing and social infrastructure needs to be improved, and planning frameworks in the municipality strengthened. As uMlalazi Municipality, our budget and operational processes need to respond accordingly to these needs. The budget policy framework for the next three years is designed to manage risk in a constrained fiscal environment, while building a foundation for economic growth which is in line with the implementation of the National Development Plan. Although South Africa's economy has expanded over the past years, the rate of growth has steadily declined, from 2.5 per cent of GDP in 2012 to 1.8 per cent in 2013; it is however projected to increase to 2.7 per cent in 2014, and gradually increase to 3.5 percent in 2016. These projections are however not certain. Aware of these risks, the municipality is taking a conservative approach to discretionary expenditure with emphasis on cutting down on 'nice to haves' and adherence to cost containment measures as outlined in the MFMA Circular 70 issued by the Minister of Finance through National Treasury. Inflation, fuel increases and ongoing wild cat strikes in the mining sector will put a strain on our country's economy. The impact of these is a decline in GDP and a possible repeat of the so called '*Inzika-Mnotho*' or economic recession that was experienced in 2008. This will consequently put the budget of uMlalazi Municipality and all other entities in both public and private sector under pressure over the medium term, requiring the municipality to work more efficiently and to be more economical with our spending.

Madame Speaker, with the tabled Budget and MTREF, the municipality will endeavour to address the following management issues:

- The municipality is serious to act as a catalyst for economic growth through creating an environment for investment and other activities that foster job creation.
- The municipality is making further efforts in finding savings to eliminate waste and reprioritize spending toward key social and development objectives.
- The municipality's revenue and cash flow are expected to remain under pressure in 2014/2015, and so the municipality has adopted a conservative approach when projecting the expected revenue and cash receipt which is in line with the prudence concept of accounting and finance management.
- The municipality will also pay particular attention to manage revenue effectively and carefully evaluate all spending decisions.
- Measures to increase the support to youth development which include the strengthening of the youth business advisory centre.

The Budget tabled today is in line with National priorities:

- Creation of decent employment opportunities
- Infrastructure development such as:
  - Roads (Rural & Urban)
  - Electricity
  - Health facilities
  - Education centre
  - Local economic development

I would like to request administration not to employ people without any reference to the level of staffing required to deliver effective services, effect remuneration increases associated with bargaining council decisions and what is financially sustainable over the medium term. The municipality ought to focus on maximizing its contribution to job creation by:

- Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate;
- Ensuring that service providers use labour intensive approaches;
- Supporting labour intensive LED projects;
- Participating fully in the Expanded Public Works Programme where an allocation of R2.1 million has been made in this budget; and
- Implementing interns programmes to provide young people with on the job training using R1.6 million Finance Management Grant provided by National Treasury per 2014/15 DORA (Division of Revenue Act) promulgation.

With reference to employment creation, provision is made for the following:

- Contractors that are appointed for Municipal Infrastructure Grant (MIG) projects, are encouraged to make use of local labour;
- R1,9million from the equitable share is allocated for LED projects;
- R3,9 million from the equitable share is allocated for work creation projects, of which the largest is R2.3 million for Waste Removal in the rural areas.
- The Council has appointed five financial interns.

When the rates, tariffs and other charges for the 2014/2015 budget and MTREF were revised the Council took into account the labour (i.e. the wage agreements with unions) and other input costs of services provided by the municipality, the need to ensure financial sustainability, local economic conditions and the affordability of services, taking into consideration the municipality's indigent policy. The municipality also took into account relevant policy developments in the different sectors. The municipality are structuring the tariffs for utility services to encourage more efficient use of these services and to generate the resources required to fund the maintenance, renewal and expansion of the infrastructure required to provide the services. The budget depicts a total expenditure increase of R27 589 million or 10.26%, which is made up as follows:

Capital Budget (increase) from	R 54,244 million to R 62,448 million
Operating budget (increase) from	<u>R214,720</u> million to <u>R234, 105</u> million
	R268, 964 million to R296,553 million

### Capital Budget

The following guidelines were applied in order to value and prioritize the capital projects:

- In line with the Council's revised IDP
- Carryover of previously approved projects
- Existing Council's resolutions, statutory requirements and services related benefits.
- Provision was made for the basic capital projects to be funded from the equitable share if actual cash is available.
- The capital for department's budget growth is **105,34** per cent.

The components of the capital budget over the medium term are as follows:

DESCRIPTION	AMOUNT (R)
Department's requirements	18 302 210
MIG Projects	36 296 000
Small Business Development (Taxi Rank)	3 500 000
Purchase of Propnet Properties	2 100 000
Upgrade of sport facilities	2 250 000
<b>TOTAL</b>	<b>62 448 210</b>

\* It must be noted Madame Speaker that both R3.5 million for R2.1 million relate to ongoing projects for upgrading of Taxi Rank, may be spent in the current 2013/14 financial year as lengthy processes with Transnet and KZN Department of Economic Development and Tourism (DEDT) are being concluded as we speak. This will go a long way in assisting our Small Business Development traders which is an important deliverable of our government as can be vouched by creation of a specific portfolio in the recently sworn in Cabinet of the National Parliament.

The Capital Budget is funded as follows over the medium term:

DESCRIPTION	AMOUNT (R)
Equitable Share Grant	7 892 210
Municipal Infrastructure Grant	36 296 000
Municipal System's Improvement Grant	100 000
Department of Sports and Recreation Grant	2 250 000
Own Funds	15 910 000
<b>TOTAL</b>	<b>62 448 210</b>

## Operating Budget

### Operating Revenue Framework

The municipality is budgeting for revenue of R234,1 million of which the detail revenue sources are reflected in the executive summary of the budget document.

The proposed tariff increases for the 2014/2015 MTREF on the different revenue categories are:

Property Rates	5.6%
Solid Waste	5.6%
Electricity	7.39%
Sundry	5.6%

It is important to note that R74,4 million of the equitable share grant is allocated to subsidize the different tariffs in the operating revenue budget.

Grants and subsidies has increased by R12,9 million and is now 52% of the total operating budget. This ratio needs to be closely monitored as continuous increase will ultimately result in our municipality being grant dependent. I implore administration together with oversight structures to explore other innovative ways to enhance revenue in order to maintain a reasonable balance between government grants and municipality's own generated revenue.

### Operating Expenditure Framework

The municipality is budgeting for expenditure of R234 million of which the detail expenditure types are reflected in the executive summary.

- \* Employee related costs - This increased by 19.01% or R11.4 million. A salary increase of 7% is based on the consumer price index.
- \* Remuneration of Councillors - The annual costs amount to R16,9 million. An increase of 7% on the upper limits is provided for, which is the same as for staff salary increases. The remuneration of Councillors is determined by the Minister of Co-Operative Governance and Traditional Affairs, in accordance with the remuneration of Public Bearers Act (Act 20 of 1998).
- \* Provision has been made to accommodate the full Executive Committee to be full time. The implementation of the full time Executive Committee councillors can only take place if approval is received from the MEC of the Co-Operative Governance and Traditional Affairs.
- \* Depreciation and asset impairment – Provision for depreciation has been informed by the municipality's asset management policy. The implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.
- \* Bulk purchases - are directly informed by the purchase of electricity from Eskom. The annual price increase of 8,06% has been factored into the budget appropriation and directly inform the revenue provision. The expenditure include distribution losses.
- \* Contracted Services – As part of the compilation of the 2014/2015 budget and MTREF, this group of expenditure was critically evaluated and operational efficiencies are enforced. This group of expenditure totals R26,4 million and has escalated by 21.26%.
- \* Other expenditure – comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

## Equitable Share Grant

In terms of the division of the revenue bill, as published in the government gazette no. 37337 of 21 February 2014, the Council will receive the following amounts as it's equitable share grant from National Treasury, for the next three years:

2014/2015	-	R111 million
2015/2016	-	R145 million
2016/2017	-	R147 million

The suggested detail allocations of the amount for the 2014/2015 budget year, are set out in the recommendations of the agenda item.

The extreme moderate and well deliberated rates and services tariff increases, should be welcomed by all communities and serve as an indication that Council is more than aware of the need to compassionately accommodate our people. The millions of rands being poured into our rural communities for varied activities, is a further commendable effort by Council to show our people that we are serious in attending to their needs.

All current grants, rates rebates, free electricity and free refuse charges will remain in force to the benefit of those people, receiving such benefits.

**"This city is what it is, because our citizens are what they are."** These words of the Greek Philosopher Plato, are just as relevant today as the day he wrote them. This implies that the living conditions in our communities, good or bad, depend largely on the level of compassion of our active citizens.

I want to stress that citizens will mostly benefit if everyone is compassionate in ensuring that they excel in what they do. Management must manage effectively whilst Councillors play their oversight role effectively.

The citizens sympathy is determined by the extent to which municipal officials, business chambers and community organisations have a common understanding of our community's problems, challenges and opportunities to develop.

No bureaucracy rests indeed on their laurels if they know people are united in their efforts to improve living conditions for all. On the other hand, apathy or lack of interest of citizens creates a fertile breeding ground for poor service delivery, crumbling infrastructure, corruption and blatant disregard for good management practices.

Poor service delivery and poor control remain a serious challenge in most municipalities. At most of the municipalities, fruitless and wasteful expenditure continues to be an area of concern requiring serious attention to manage and prevent. The aforementioned can be prevented by implementing proper monitoring systems to identify problems.

However equally disturbing, is the lack of active citizens who have an understanding of the objectives and responsibilities of the Local Municipality. It means that these responsibilities to provide sustainable municipal services and the promotion of a safe and healthy environment, stays a grey area.

I therefore would like to encourage all key stakeholders in our community to focus on forming a partnership with the uMlalazi Municipality, especially on the field of Local Economic Development.

Madame Speaker, I would like to take this opportunity to express my gratitude and appreciation to the following people:

- The Municipal Manager, Directors and staff of the various departments, for their inputs in the budget;
- The community in the municipal area for their support and co-operation, to make our municipality a pleasant area to stay in.
- Councillors for their inputs at the budget consultation meetings.

I accordingly table the budget and Medium Term Revenue and Expenditure Framework commencing in 2014/2015 as detailed in the document with recommendations 1 to 8 for final adoption by Council.

I thank you.

## 2. BUDGET RELATED RESOLUTIONS

### RECOMMENDED

	<i>Page</i>
1. That the annual budget of the municipality for the financial year 2014/2015; and indicative for the two projected outer years 2015/2016 and 2016/2017 be approved as set-out in the following schedules:	
1.1 <b>Budget Summary</b> (Financial Performance, Capital Expenditure and Fund sources, Financial Position, Cash Flows & Asset Management) <b>Table A1</b>	27
1.2 <b>Budgeted Financial Performance</b> (Revenue and Expenditure by Standard classification) <b>Table A2</b>	28
1.3 <b>Budgeted Financial Performance</b> (Revenue and Expenditure by Municipal Vote) <b>Table A3</b>	29
1.4 <b>Budgeted Financial Performance</b> (Revenue and Expenditure) <b>Table A4</b>	30
1.5 <b>Budgeted Capital expenditure</b> by Vote, Standard classification and funding- <b>Table A5</b>	33
2. That the financial position, cash flows, cash-backed reserve/accumulated surplus, asset management and basic service delivery measurements are adopted as set out in the following tables:	
2.1 <b>Budgeted Financial Position-A6</b>	35
2.2 <b>Budgeted Cash Flows – Table A7</b>	36
2.3 <b>Cash backed reserves &amp; accumulated surplus reconciliation Table A8</b>	37
2.4 <b>Asset Management- Table A9</b>	38
2.5 <b>Basic Service Delivery Measurement-Table A10</b>	40
3. That the amendments to the budget related policies be approved.	
4. That the budget funding and tariffs be approved.	
5. That the due date for the agreed annual single rates payment as prescribed by Section 26(2) (a) of the Local Government Municipal Property Rates Act 6 of 2004 be determined to be 30 September 2014.	



6. That the expenditure on the Equitable Share Grant over the MTREF period be approved as follows:

DETAILS	2013/2014 (R)	2014/2015 (R)	2015/2016 (R)	2016/2017 (R)
International relations	100 000	150 000	300 000	200 000
Land use management system (Rural)	0	1 000 000	1 000 000	0
Community halls maintenance (Rural)	250 000	0	0	0
Care taking: rural buildings	200 000	200 000	400 000	400 000
Youth development	400 000	400 000	500 000	500 000
Early childhood development	250 000	300 000	350 000	400 000
Community support programme	300 000	300 000	350 000	350 000
Local economic development (LED)	1 890 880	1 990 560	2 315 780	2 415 150
Youth business advisory centre	100 000	150 000	300 000	300 000
Ceremonial events	50 000	100 000	150 000	200 000
Commemorative celebrations	50 000	100 000	150 000	200 000
Rates relief	40 482 110	53 908 400	78 696 340	83 909 740
Depreciation on assets contribution	6 163 060	6 508 190	6 859 630	7 230 050
Poverty alleviation	2 440 200	2 345 940	2 370 920	2 422 730
Ward committee expenses	1 580 000	1 580 000	1 580 000	1 580 000
Re-valuation of properties	0	1 100 000	0	0
Councillor's remuneration	7 099 000	8 962 000	9 362 000	9 783 000
Animal pound facility	620 000	712 420	750 890	791 440
Rural fire prevention	200 000	300 000	350 000	400 000
Disaster assistance	420 000	518 450	600 000	600 000
Humanitarian assistance	600 000	600 000	700 000	700 000
Sport development	400 000	512 000	600 000	700 000
Cultural development	50 000	200 000	250 000	300 000
Special programmes	0	485 000	500 000	500 000
Operation Sukuma Sakhe	0	250 000	350 000	450 000
Local Aids Council	422 800	350 000	500 000	500 000
Work creation projects	800 000	903 070	1 319 110	1 400 000
Sports fields – security	321 040	323 600	339 780	356 770
Rural grounds maintenance	100 000	200 000	500 000	500 000
Rural roads and causeways	7 912 800	8 379 250	8 850 000	9 350 000
Free refuse	1 363 100	1 551 430	1 635 210	1 723 510
Solid waste relief	2 127 890	2 345 850	2 619 420	2 760 870
Free electricity	1 095 850	1 198 860	1 271 730	1 350 740
Increase in Eskom supply	4 971 770	4 971 770	0	0
Electricity metering audit	100 000	150 000	300 000	300 000
Capital projects contribution	8 466 500	7 892 210	18 563 190	14 654 000
	91 327 000	110 939 000	144 684 000	147 228 000

7. That in terms of Section 17 (3) (k) of the Local Government: Municipal Finance Management Act, (No. 56 of 2003), that the proposed cost to council of salary, allowances and benefits of, councillors and senior officials be noted.

8. That the following new position in the current staff structure, be approved:

Position	Total cost to Council
Integrated Development Plan: Manager	R617 610
<b>Total</b>	<b>R617 610</b>

### 3. EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were received as part of this year's planning and budget process. Where appropriate, funds were transferred from low to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

The budget/IDP process occurred according to the budget timetable approved by Council on 4 September 2013. This ensured compliance with the LG: MFMA and subsequent circulars in the preparation and approval of the multi-year budget/IDP.

The Budget and Medium Term Revenue and Expenditure Framework (MTREF) was also prepared taking cognizance of the contents of the Local Government: Municipal Finance Management Act No 56 of 2003, Circular No. 70, Circular No. 72 and the LG:MFMA Budget Formats Guide received from National Treasury.

The main challenges experienced during the compilation of the 2014/2015 Budget and MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable – as there will be a point where services will no longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies.
- Affordability of capital projects-original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2014/2015 budget and MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2014/2015 Budget and MTREF:

- The 2013/2014 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2014/2015 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/2015 Budget and Medium-term Revenue and Expenditure Framework:

#### 3.1 Consolidated Overview of the 2014/2015 Budget and MTREF

Details	Adjustments Budget 2013/2014 (R)	Budget Year 2014/2015 (R)	Budget Year 2015/2016 (R)	Budget Year 2016/2017 (R)
Total operating revenue (excluding capital transfers)	214 719 700	234 105 520	265 218 830	279 287 170
Total operating expenditure	214 668 100	234 056 420	265 174 820	279 255 370
(Surplus)/Deficit for the year	51 600	49 100	44 010	31 800
Total Capital Expenditure	54 244 300	62 448 210	59 007 190	58 839 000

Total operating revenue has grown by **9.03** per cent or **R19 385 820** for the 2014/2015 financial year when compared to the 2013/2014 Adjustments Budget. For the two outer years, operational revenue will increase by **13.29** and **5.31** per cent respectively, equating to a total revenue growth of **R64 567 470** over the MTREF when compared to the 2013/2014 financial year.

Total operating expenditure for the 2014/2015 financial year has been appropriated at **R234 056 420** and translates into a budgeted surplus of **R49 100**. When compared to the 2013/2014 Adjustments Budget, operational expenditure has grown by **9.03** per cent in the 2014/2015 budget and by **13.3** and **5.31** per cent for each of the respective outer years of the MTREF.

The capital budget of **R62 448 120** for 2014/2015 is **15.12** per cent more when compared to the 2013/2014 Adjustments Budget. The capital budget is mainly funded from Government grants over the MTREF.

### 3.2 Operating Revenue Framework

For uMlalazi Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each services;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA)
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policy of the Municipality.

The following table is a summary of the 2014/2015 Budget and MTREF (classified by main revenue source):

### 3.2.1 Summary of revenue classified by main revenue source

Description	Current Year 2013/2014			Medium Term	Revenue and	Expenditure
(R) Thousands	Original Budget (R)	Adjusted Budget (R)	Full Year Forecast (R)	Budget Year 2014/2015 (R)	Budget Year 2015/2016 (R)	Budget Year 2016/2017 (R)
<b>Revenue by Source</b>						
Property rates	33 020	32 912	32 912	34 456	36 377	38 004
Property rates-penalties & collection charges	825	550	550	581	612	646
Service charges- electricity revenue	51 865	51 843	51 843	55 050	58 649	62 958
Service charges- refuse revenue	9 058	9 149	9 149	10 077	10 621	11 165
Rental of facilities and equipment	1 267	1 301	1 301	1 373	1 447	1 359
Interest earned-external investments	1 100	2 500	2 500	2 600	2 700	2 800
Interest earned-outstanding debtors				150	160	170
Fines	3 604	2 959	2 959	3 124	3 293	3 471
Licences and permits	3 551	3 451	3 451	3 645	3 841	4 049
Transfers recognized – operational	96 758	106 889	106 889	119 852	144 166	151 165
Other revenue	2761	2 967	2 967	3 098	3 233	3 370
Gains on disposal of PPE	200	200	200	100	120	130
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>204 009</b>	<b>214 721</b>	<b>214 721</b>	<b>234 106</b>	<b>265 219</b>	<b>279 287</b>

In line with the formats prescribed by the Municipal Budget and reporting regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise nearly half of the total revenue mix. In the 2013/2014 financial year, revenue from rates and services charges totaled **R94 454 000** or **43.99** per cent. This increase to **R100 164 000**, **R106 259 000** and **R112 773 000** in the respective financial years of the MTREF. A notable trend is the decrease in the total percentage revenue generated from rates and services charges which decreases from **42.79** per cent in 2014/2015 to **40.38** per cent in 2016/2017. This decrease can be mainly attributed to the increased governmental grants and subsidies.

Property rates is the third largest revenue source totaling **14.97** per cent or **R35 037 000** and increases to **R38 650 000** by 2016/2017.

Operating grants and transfers is the largest revenue source totaling **R119 852 000** in the 2014/2015 financial year and steadily increases to **R151 165 000** by 2016/2017. Note that the year-on-year growth for the 2014/2015 financial year is **12.13** per cent and then increases to **20.29** and **4.85** per cent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

### 3.2.2 Operating transfers and grants receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>RECEIPTS:</b>	1, 2									
<u>Operating Transfers and Grants</u>										
<b>National Government:</b>		53 055	64 213	88 027	92 858	102 390	102 390	115 853	139 938	146 492
Local Government Equitable Share		50 439	60 650	76 090	80 218	82 861	82 861	103 047	126 121	132 574
Municipal Systems Improvement		750	1 340	800	890	890	890	834	967	1 018
Finance Management		1 176	1 323	1 500	1 550	1 550	1 550	1 600	1 650	1 700
Integrated National Electrification Programme				8 130	8 000	14 870	14 870	7 000	10 000	10 000
EPWP Incentive				981	1 000	1 019	1 019	2 172	-	-
							-			
Project Management Unit (MIG Projects)		690	900	526	1 200	1 200	1 200	1 200	1 200	1 200
<b>Provincial Government:</b>		3 973	4 935	2 189	3 343	3 942	3 942	3 411	3 608	4 019
Health subsidy		3 090	2 576	201						
Sport and Recreation		883	2 359	1 988	3 343	3 942	3 942	3 411	3 608	4 019
Project Management Unit (MIG Projects)										
District Municipality:		1 177	626	483	557	557	557	589	620	654
Uthungulu District Grant: Salary Claims		852	626	483	557	557	557	589	620	654
Uthungulu District Grant: Information Signs R66		325								
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	58 205	69 774	90 699	96 758	106 889	106 889	119 852	144 166	151 165

### 3.3 Tariffs

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of Eskom's bulk tariff is far beyond the mentioned inflation target. Given that this tariff increase is determined by external agencies, the impact it has on the municipality's electricity tariffs are largely outside the control of the municipality. Discounting the impact of this price increase in lower consumer tariffs will erode the future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement, etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by their operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

#### 3.3.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No.51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17 (h) of the MPRA). In addition to this rebate, a further R60 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a rebate will be granted to owners of rate-able property as follows:

#### 40 per cent rebate

- (i) A single person receiving a total income of **R5 690** per month or less
- (ii) A married couple receiving a joint monthly income of **R7 100** per month or less

#### 20 per cent rebate

- (i) A single person receiving a total income of **R5 691** per month or more
- (ii) A married couple receiving a joint monthly income of **R7 101** per month or more

In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of health, also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to the debt should be in place; and
- The property must be categorized as residential.



- The municipality may award a 100 per cent grant in aid on the assessment rates of rate-able properties of certain classes such as churches, registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport.

In considering changes in property rates, cognizance was taken of the local economic conditions such as the gradual recovery in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non payment and increased bad debts.

The Council at its meeting held on 29 May 2012, resolved to grant a **20%** early settlement rebate to ratepayers that makes a single rates payment at the end of September of each year.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2014/2015 financial year based on a **5.6** per cent increase from 1 July 2014 is contained below:

Category	2013/2014 c/R	2014/2015 c/R
Residential	1.17	1.24
Commercial and Industrial	1.17	1.24
Mining	2.34	2.48
Government	1.17	1.24
Municipal	1.17	1.24
Clubs/Churches	1.17	1.24
Agricultural	0.2928	0.3089
Public service infrastructure	0.2928	0.3089

It is expected that Tronox will start mining activities in the Fairbreeze area in the 2014/2015 Budget Year. In terms of Section 8 of the MPRA, a municipality may in terms of the criteria set out in its rates policy levy different rates for different categories of rateable property. The Council at its meeting held on 30 May 2013 resolved that the tariff for mining activities be a ratio of 1:2 in relation to residential property.

The municipality is planning the 3<sup>rd</sup> round of general valuation of properties in the municipal area. The planned time frames are reflected in the table below.

Task	Actual/Proposed Dates
Tender advertisement	13 February 2014
Compulsory Site briefing	21 February 2014
Closing Date	07 March 2014
Tender Evaluation & Adjudication	17 March 2014
Advertising in terms of section 33 of the MFMA	27 March 2014
Tabling of the contract for Council's approval	27 May 2014
Appointment of the service provider	01 June 2014
Submission of draft valuation roll	28 November 2014
Submission of certified valuation roll	30 January 2015
First advertising valid 30 days	13 February 2015
Second advertising valid for 30 days	19 February 2015
Close of objections	20 March 2015
Date of implementation	01 July 2015

### 3.3.2 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. An **8.06** per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2014.

Considering the Eskom increases, the consumer tariff had to be increased by **7.39** per cent to offset the additional bulk purchase cost from 1 July 2014. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

It should further be noted that NERSA has advised that a stepped tariff structure be implemented for residential consumers from 1 July 2013. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the municipality. Most of the reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life expectancy. The upgrading of the municipality's electricity network has therefore become a strategic priority, especially the substations and transmission lines. Owing to the high increases in Eskom bulk tariffs, it is clearly not possible to fund these necessary upgrades through increase in the municipal electricity tariff-as the resultant tariff increases would be unaffordable for the consumers. As part of the 2014/2015 medium term upgrading programme, funding of **R850 000** from the Equitable Share Grant has been allocated to electricity infrastructure.

### 3.3.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is subsidized with an allocation from the equitable share grant of **R2 345 850**. Without this subsidy, the solid waste removal service will operate at a deficit. The main contributors to the high operational cost are cost of remuneration, bin liners, repairs and maintenance on vehicles, increases in fuel and solid waste contracts.

The municipality have implemented and monitor a recycling program in the community, to ensure that this service can be rendered in a sustainable manner over the medium to long term.

The waste removal tariffs are increased by **5.6** percent.

## 3.4 Operating Expenditure Framework

The Municipality's expenditure framework for the 2014/2015 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash backed reserves to fund any deficit;
- Funding of the budget over the medium term as informed by Section 18 and 19 of the MFMA;
- The Capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2014/2015 budget and MTREF (Classified per main type of operating expenditure):

### 3.4.1 Summary of operating expenditure by standard classification item

Description	Current Year 2013/2014			Medium Term	Revenue and Expenditure Framework	
(R) Thousands	Original Budget (R)	Adjusted Budget (R)	Full Year Forecast (R)	Budget Year 2014/2015 (R)	Budget Year 2015/2016 (R)	Budget Year 2016/2017 (R)
<b>Expenditure by Type</b>						
Employee related costs	63 357	60 142	60 142	71 574	96 593	103 406
Remuneration of councillors	14 696	14 097	14 097	16 894	18 064	19 315
Depreciation & asset impairment	8 547	8 459	8 459	8 932	9 415	9 923
Finance charges	698	676	676	714	753	793
Bulk purchases	38 566	37 983	37 983	41 013	44 609	47 563
Contracted services	20 435	21 791	21 791	26 421	26 432	25 719
Transfers and grants	3 091	2 989	2 989	3 388	3 573	3 770
Other expenditure	54 570	68 532	68 532	65 120	65 736	68 766
Loss on disposal of PPE						
<b>Total Expenditure</b>	<b>203 960</b>	<b>214 669</b>	<b>214 669</b>	<b>234 056</b>	<b>265 175</b>	<b>279 255</b>

- The budget allocation for employee related costs for the 2014/2015 financial year totals **R71 574 000** which equals **30.58** per cent of the total operating expenditure. Provision has been made for the following:
  - A 7%increase in salaries for the three budget years
  - The placing of current staff in the new approved staff structure, in the 2014/2015 budget year
  - The following new position:

Position	Total cost to Council
Integrated Development Plan: Manager	R617 610
<b>Total</b>	<b>R617 610</b>

- The full implementation of the new staff structure in the 2015/2016 budget year.

Hereunder follows a table reflecting the detail of the employee related costs:

DESCRIPTION	2013/2014 (R)	2014/2015 (R)	2015/2016 (R)	2016/2017 (R)
Salaries and Allowances	41 217 600	49 495 970	71 648 540	76 663 940
Overtime & Standby	3 000 390	3 293 130	4 456 370	4 768 340
Casual Labour	11 000	6 000	6 000	6 000
Housing Subsidy	119 610	134 150	143 530	153 580
Pension Fund Contribution	7 811 730	8 426 450	9 016 310	9 647 450
Pension Fund: Gratuities	7 610	8 140	8 710	9 320
Medical Aid Contribution	2 308 280	2 683 670	2 933 250	3 206 020
Travel, Rental and Other Allowances	3 136 650	3 938 210	4 213 880	4 508 840
Unemployment Fund	376 930	394 730	422 350	451 920
Protective Clothing	317 200	347 260	361 100	375 860
Group Life Insurance	580 720	645 620	390 810	739 160
Workmen's Compensation	663 200	709 620	759 300	812 460
Skills Development Levy	434 890	708 650	956 370	1 023 830
Performance Bonuses-Sec 57 Managers	155 740	782 330	976 820	1 039 860
<b>TOTAL</b>	<b>60 141 550</b>	<b>71 573 930</b>	<b>96 593 340</b>	<b>103 406 580</b>

- The cost associated with the remuneration of councilors is determined by the Minister of Co-Operative Governance and Traditional Affairs, in accordance with the remuneration of Public Bearers Act (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.
- Provision has been made for the following:
  - A 7%increase for the three budget years
  - Provision has been made for the appointment of four (4) additional Executive Committee members as full-time Councillors. Budget is therefore available to accommodate the full Executive Committee to be full time.
- Provision for depreciation and asset impairments has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total **R8 932 000** for the 2014/2015 financial and equates to **3.75** per cent of the total operating expenditure.
- Finance charges consist primarily of the repayment of interest on long term borrowing (cost of capital). Finance charges make up **0.3** per cent (**R714 000**) of operating expenditure excluding annual redemption for 2014/2015 and increases to **R 793 000** by 2016/2017.
- Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditure include distribution losses.

- Contracted services has been identified as a cost saving area for the municipality. As part of the compilation of the 2014/2015 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2014/2015 financial year, this group of expenditure totals **R26 421 000** and has escalated by **21.25** per cent. For the two outer years it has been limited to an increase of **0.04** and a decrease of **2.7** per cent.
- Provision is made for the following contracted services:

DESCRIPTION	2013/2014 (R)	2014/2015 (R)	2015/2016 (R)	2016/2017 (R)
Animal pound facility	620 000	712 420	750 890	791 440
Archive storage	56 400	59 560	62 780	66 170
Bank collections	210 800	222 600	234 620	247 290
Cleaning	784 770	825 060	867 050	911 180
Computer maintenance	1 122 200	1 143 680	1 219 680	1 301 290
Grass cutting	1 395 150	1 470 420	1 543 940	1 621 140
Insurance	665 440	702 660	740 620	780 630
Internal audit	1 051 960	1 078 810	1 135 470	134 400
Land use management system	-	1 000 000	1 000 000	-
Lease of park home-toilet facilities	-	40 000	42 160	44 440
Mailing of monthly statements	241 770	244 730	257 950	271 880
Pauper burials	5 280	5 580	5 880	6 200
Pre paid electricity vending management system	185 180	195 850	205 640	215 930
Pre paid electricity vending: commission	427 460	441 000	463 050	486 200
Post employment report	26 900	28 410	29 940	31 560
Radio repeater site	6 330	6 680	7 040	7 420
Refuse removal contracts	4 118 150	5 022 640	5 297 630	5 587 930
Rental of land	332 530	351 160	370 130	390 120
Rental of office equipment	725 500	766 140	807 510	851 110
Security	7 207 660	8 450 130	8 873 990	9 319 120
Town planning	332 400	187 400	197 520	208 190
Traffic violation system	1 487 330	1 542 400	1 588 670	1 668 100
Valuation costs	432 000	1 520 000	300 000	320 000
Weigh bridge	355 020	403 330	429 550	457 470
<b>TOTAL</b>	<b>21 790 230</b>	<b>26 420 660</b>	<b>26 431 710</b>	<b>25 719 210</b>

➤ Security expenditure is made up as follows:

Office bearers	4 931 970
Mayor	484 220
Deputy Mayor	426 860
Speaker	479 650
Chief Whip	436 190
Councilors (x9)	3 105 050
Council buildings	3 179 140
Sportsfield	339 020
	<b>8 450 130</b>

The contracted security services has escalated by **17.24** per cent compared to the 2013/2014 budget year. Over the next two outer years this expenditure line will grow with **29.9** per cent.

- Provision is made for the following transfers and grants:

	2013/2014 (R)	2014/2015 (R)	2015/2016 (R)	2016/2017 (R)
Zululand Historical Museum	110 250	202 440	349 000	371 000
SPCA	115 000	120 000	125 000	130 000
Social Welfare	120 000	125 000	130 000	135 000
Tourism	185 000	190 000	195 000	200 000
Free Refuse	1 363 100	1 551 430	1 635 210	1 723 510
Free Electricity	1 095 850	1 198 860	1 271 730	1 350 740
<b>TOTAL</b>	<b>2 989 200</b>	<b>3 387 730</b>	<b>3 572 780</b>	<b>3 769 610</b>

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

- Other expenditure comprises of the following:

	2013/2014 (R)	2014/2015 (R)	2015/2016 (R)	2016/2017 (R)
Provision for bad debts	1 363 550	1 439 910	1 517 660	1 599 610
Repairs and maintenance	15 113 850	15 962 400	17 332 100	18 422 300
Post retirement medical benefits & long service awards	1 176 720	1 242 630	1 309 730	1 380 460
General expenses	49 492 220	45 011 290	44 034 860	45 736 990
Contribution to staff leave	1 385 890	1 463 510	1 542 540	1 625 830
<b>TOTAL</b>	<b>68 532 230</b>	<b>65 119 740</b>	<b>65 736 890</b>	<b>68 765 190</b>

Provision is made for the following repairs and maintenance:

	2013/2014 (R)	2014/2015 (R)	2015/2016 (R)	2016/2017 (R)
Air-conditioning	21 100	22 280	23 480	24 750
Buildings	403 520	426 130	441 750	465 610
Electricity mains	913 460	964 610	1 016 700	1 071 600
Electricity sub stations	29 030	30 660	32 320	34 070
Fire extinguishers	21 100	22 280	23 480	24 750
Fuel and oil	2 849 620	3 134 600	3 496 060	3 844 020
Furniture, plant and equipment	128 180	158 360	166 930	175 950
Equitable share grants expenditure	8 262 800	8 579 250	9 350 000	9 850 000
Grounds	98 920	104 450	110 090	116 030
Information signs	4 220	4 460	4 700	4 950
Office equipment	39 510	41 730	43 990	46 360
Roads & Streets	695 370	734 310	773 960	815 750
Small plant and equipment	132 550	143 950	151 730	159 930
Speed testing equipment	7 500	7 920	8 350	8 800
Street lights	240 890	254 380	268 120	282 600
Traffic signs	30 690	32 410	34 160	36 000
Transport	1 218 650	1 286 910	1 364 420	1 438 090
Other	16 740	13 710	21 860	23 040
<b>TOTAL</b>	<b>15 113 850</b>	<b>15 962 400</b>	<b>17 332 100</b>	<b>18 422 300</b>

Provision is made for the following general expenses:

	2013/2014 (R)	2014/2015 (R)	2015/2016 (R)	2016/2017 (R)
Advertising	513 950	542 730	572 040	602 930
Audit fees (Auditor General)	1 597 930	1 687 410	1 778 540	1 874 580
Bank charges	393 480	415 510	437 950	461 600
Bargaining Council levies	21 990	23 220	24 470	25 790
Bursaries	70 000	73 920	77 910	82 120
Capital Replacement Reserve	2 500 000	2 600 000	2 700 000	2 800 000
Cemetery environmental study	-	300 000	100 000	-
Chemicals	32 950	34 790	36 670	38 650
Civic expenses	197 310	208 360	219 610	231 470
Cleaning material	82 210	171 170	180 410	190 130
Conference and delegations	32 210	34 010	35 850	37 790
Community participation in IDP's	200 000	0	0	0
Council's communications	200 450	211 680	223 110	235 160
Department of Human Settlements expenditure	425 000	-	-	-
Entertainment expenses	120 420	131 850	138 980	146 520
Eskom: Other accounts	543 550	291 910	315 260	340 480
Expanded public works programme	1 019 370	2 172 000	0	0
Finance management grant expenditure	1 550 000	1 600 000	1 650 000	1 700 000
Equitable share grant expenditure	13 745 650	15 276 790	12 655 810	13 237 880
Integrated rural electricity programme	14 869 690	7 000 000	10 000 000	10 000 000
Legal expenses	995 000	1 000 000	1 005 000	1 010 000
Library books	21 110	22 300	23 500	24 770
Library Cyber cadet grant	411 390	272 000	286 000	521 000
Licence fees	49 990	52 790	55 640	58 650
Loose tools	26 840	28 340	29 860	31 470
Membership fees (SALGA)	693 280	884 680	1 261 230	1 472 660
Municipal systems improvement grant expenditure	890 000	834 000	967 000	1 018 000
Periodicals and publications	23 950	25 290	26 660	28 100
Postage	55 600	58 710	61 880	65 220
Printing and stationery	512 960	541 690	570 960	601 800
Project Management Unit Costs (MIG projects)	1 200 000	1 200 000	1 200 000	1 200 000
Publicity	55 930	59 060	62 250	65 610
Refuse bin liners	635 730	671 330	707 580	745 790
Removal of informal settlements	50 000	200 000	-	-
Rental of buildings	42 000	44 350	46 740	49 260
Road marking	87 230	92 110	97 080	102 320
SABS:3% charge	67 110	70 870	74 700	78 730
Staff relocation costs	20 000	21 120	22 260	23 460
Subsistence & travel: Staff	786 950	831 020	875 900	923 200
Subsistence & travel: Councillors	380 030	401 310	422 980	445 820
Telephones costs	1 010 900	1 067 500	1 125 150	1 185 900
Traditional leaders expenses	0	270 000	270 000	270 000
Training	338 440	357 390	376 690	397 030
Ward committees	1 580 000	1 580 000	1 580 000	1 580 000
Water & sanitation costs	977 830	1 032 600	1 088 370	1 147 130
Weed eradication	350 260	439 000	462 710	487 700
Others	113 530	178 480	188 110	198 270
<b>TOTAL</b>	<b>49 492 220</b>	<b>45 011 290</b>	<b>44 034 860</b>	<b>45 736 990</b>

### 3.5 Capital Budget

The following guidelines were applied in order to value and prioritize the capital projects:

- In line with the Council's revised IDP
- Carry over of previously approved projects
- Existing Council's resolutions, statutory requirements and services related benefits.
- Provision was made for the basic capital projects to be funded from the equitable share if actual cash is available.
- The capital for department's budget growth is **105.34** per cent.

The components of the capital budget over the medium term are as follows:

DESCRIPTION	2014/2015	2015/2016	2016/2017
Department's requirements	18 302 210	20 763 190	18 934 000
MIG Projects	36 296 000	38 244 000	39 905 000
Small Business Development (Taxi Rank)	3 500 000	0	0
Purchase of Propnet Properties	2 100 000	0	0
Upgrade of sport facilities	2 250 000	0	0
<b>TOTAL</b>	<b>62 448 210</b>	<b>59 007 190</b>	<b>58 839 000</b>

The Capital Budget is funded as follows over the medium term:

DESCRIPTION	2014/2015	2015/2016	2016/2017
Equitable Share Grant	7 892 210	18 563 190	14 654 000
Municipal Infrastructure Grant	36 296 000	38 244 000	39 905 000
Municipal System's Improvement Grant	100 000	0	0
Department of Sports and Recreation Grant	2 250 000	0	0
Own Funds	15 910 000	2 200 000	4 280 000
<b>TOTAL</b>	<b>62 448 210</b>	<b>59 007 190</b>	<b>58 839 000</b>

The capital for departments to be funded from the Council's Equitable Share Grant and capital replacement reserve are the following:

Description	Amount (R)
Furniture & Equipment	3 947 210
Vehicles	2 790 000
Cemeteries	400 000
Swimming Pools	200 000
Buildings	3 300 000
Roads, Sidewalks & Stormwater	6 855 000
Electricity	810 000
<b>TOTAL</b>	<b>18 302 210</b>

The Municipal Infrastructure Grant Projects for the next three budget years are as follows:



	Ward	2014/2015	2015/2016	2016/2017
<b><u>HALLS AND OFFICES</u></b>				
Sqwanjana hall	13		1 700 000	
Emandawe hall	10			1 500 000
Bongela hall	1			550 000
Mcongweni hall	13			1 026 000
<b><u>TESTING GROUNDS</u></b>				
New testing station	11	3 252 400	9 136 330	13 850 050
<b><u>SPORTS FIELDS</u></b>				
Kwayabu sports field	15	1 400 000		
Kwabulawayo sports field	24		3 875 100	11 885 430
Emfenyane sports field	14			1 438 020
<b><u>CRECHES</u></b>				
Ngodini creche	26			1 000 000
<b><u>ROADS AND CAUSEWAYS</u></b>				
Kangella street	11	7 349 480	8 892 270	4 366 190
Nogobhoza road	15	230 000		
Ntenjane causeway	14			
Naickerville intersection	18	4 050 340		
Esifubeni road	10	2 321 950		
KDS/Sunnydale link road	12	4 113 880		
Osborn road rehabilitation	11	4 654 980		
Gcisa road	17	3 022 970		
Mfofolozi causeway	1	1 500 000		
Ndlongolwane road	4	1 500 000	2 314 730	
Ngwandla road	19			
Mtipela road	3		3 000 000	
Makhehle causeway	24	1 100 000		
Bele Road	24		8 125 570	
Hlungwini causeway	5			789 310
Gingindlovu stormwater	18			2 000 000
<b><u>OTHER</u></b>				
Rehabilitation of landfill site	11	500 000		
Retention monies		1 300 000	1 200 000	1 500 000
<b>Sub total</b>		<b>36 296 000</b>	<b>38 244 000</b>	<b>39 905 000</b>
<b><u>PMU ADMIN COSTS</u></b>		1 200 000	1 200 000	1 200 000
<b><u>TOTAL</u></b>		<b>37 496 000</b>	<b>39 444 000</b>	<b>41 105 000</b>

The capital budget will be spent on the following categories of assets:

Description	Amount (R)	%
Infrastructure : Roads	29 843 600	48
Electricity	850 000	1
Other	10 552 400	17
Investment properties	2 100 000	3
Community assets	9 890 000	16
Other assets	9 212 210	15
<b>Total capital expenditure</b>	<b>62 448 210</b>	<b>100</b>

### 3.6 Financial position of Council

The accumulated surplus of the Council was **R245 499 849** as at 30 June 2013. Unfortunately this amount is not cash backed. The surplus for the 2014/2015 and the next two years is projected as follows:

2014/2015-	R46 587 310
2015/2016-	R56 851 200
2016/2017-	R54 590 800

### 3.7 Alignment with National Priorities

3.7.1 In preparing the draft budget, government's 12 outcomes were taken into account.

These outcomes are:

- Improve the quality of basic education
- Improve health and life expectancy
- All people in South Africa protected and feel safe
- Decent employment through inclusive economic growth
- A skilled and capable workforce to support inclusive growth
- An efficient, competitive and responsive economic infrastructure network
- Vibrant, equitable and sustainable rural communities and food security
- Sustainable human settlements and improved quality of household life
- A response and, accountable, effective and efficient local government system.
- Protection and enhancement of environmental assets and natural resources
- A better South Africa, a better and safer Africa and world
- A development orientated public service and inclusive citizenship

These objectives are directly relevant to the municipality. The challenge for the municipality is do more within its existing resource envelope.

### 3.8 The Municipality's role in employment creation

" Employment is central to human dignity, sustainable economic development and social cohesion. Creating jobs and increasing employment is South Africa's most critical objective.

While there are many policy options to consider, emphasis should be placed on removing the structural impediments to faster job growth. This means aligning real wage growth with productivity, speeding up regulatory reform to ensure that young and less skilled workers can access the job market, and ensuring that further education and training programmes provide the real world skills needed by public and private sector employers. Public employment to support service delivery, and public works projects that draw in lower skilled workers, will continue to play an important role. The issue of youth unemployment is imperative and needs to be confronted directly."

The Council will explore how it can contribute to job creation when revising the IDP and preparing the 2014/2015 budget. However, the Council will not just employ more people without any reference to the level of staffing required to deliver effective services, and what is financially sustainable over the medium term. The Council will focus on maximizing its contribution to job creation by:

- Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate
- Ensuring that service providers use labour intensive approaches.
- Supporting labour intensive LED projects;
- Participating fully in the Extended Public Works Programmes; and
- Implementing interns programmes to provide young people with on the job training.

With reference to employment creation, provision is made for the following:

- Contractors that are appointed for Municipal Infrastructure Grant (MIG) projects, are encouraged to make use of local labour;
- **R1 990 560** from the equitable share is allocated for LED projects;
- **R3 972 610** from the equitable share is allocated for work creation projects;
- The Municipality will receive a **R2 172 000** grant to participate in the Extended Public Works Programme, and
- The Council has appointed five financial interns.

### **3.9 Key amendments to budget –related policies**

The amendments to the budget related policies are set out under section 8 of the budget document.

#### 4. Annual Draft Budget Tables

	<i>Table</i>	<i>Page</i>
➤ Budget Summary	A1	27
➤ Budgeted Financial Performance (Revenue & Expenditure by Standard Classification)	A2	28
➤ Budgeted Financial Performance (Revenue & Expenditure by Municipal Vote)	A3	29
➤ Budgeted Financial Performance (Revenue & Expenditure)	A4	30
➤ Chart A4: Budgeted Financial Performance (Revenue)		31
➤ Chart A4: Budgeted Financial Performance (Expenditure)		32
➤ Budgeted Capital Expenditure by Vote, Standard Classification and Funding	A5	33
➤ Chart A5: Adjustments Budget Capital Expenditure Budget by Vote and Funding		34
➤ Budgeted Financial Position	A6	35
➤ Budgeted Cash flows	A7	36
➤ Cash Back Reserves/ Accumulated Surplus Reconciliation	A8	37
➤ Asset Management	A9	38
➤ Chart A9:Asset management		39
➤ Basic Service Delivery Measurement	A10	40

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	41 545	29 413	30 865	33 844	33 462	33 462	33 462	35 037	36 990	38 650
Service charges	44 019	52 027	57 500	60 923	60 991	60 991	60 991	65 127	69 271	74 123
Investment revenue	635	1 139	2 491	1 100	2 500	2 500	2 500	2 600	2 700	2 800
Transfers recognised - operational	57 516	69 774	90 698	96 758	106 889	106 889	106 889	119 852	144 166	151 165
Other own revenue	11 720	12 381	10 813	11 382	10 877	10 877	10 877	11 489	12 092	12 550
	155 434	164 734	192 367	204 008	214 720	214 720	214 720	234 106	265 219	279 287
<b>Total Revenue (excluding capital transfers and contributions)</b>										
Employee costs	49 867	51 875	54 201	63 358	60 142	60 142	60 142	71 574	96 593	103 407
Remuneration of councillors	10 954	12 059	12 733	14 696	14 097	14 097	14 097	16 895	18 064	19 315
Depreciation & asset impairment	7 037	7 548	8 056	8 547	8 459	8 459	8 459	8 932	9 415	9 923
Finance charges	643	770	709	698	676	676	676	714	753	794
Materials and bulk purchases	25 780	31 537	35 992	38 566	37 983	37 983	37 983	41 013	44 609	47 563
Transfers and grants	2 074	2 572	2 812	3 091	2 989	2 989	2 989	3 388	3 573	3 770
Other expenditure	63 727	56 881	76 502	75 003	90 322	90 322	90 322	91 540	92 169	94 484
<b>Total Expenditure</b>	160 081	163 243	191 004	203 959	214 668	214 668	214 668	234 056	265 175	279 255
<b>Surplus/(Deficit)</b>	(4 647)	1 491	1 364	49	52	52	52	49	44	32
Transfers recognised - capital	23 409	25 458	35 093	42 476	31 973	31 973	31 973	46 538	56 807	54 559
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
	18 762	26 949	36 456	42 525	32 024	32 024	32 024	46 587	56 851	54 591
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>										
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	18 762	26 949	36 456	42 525	32 024	32 024	32 024	46 587	56 851	54 591
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	23 409	25 458	33 670	45 976	54 244	54 244	54 244	62 448	59 007	58 839
Transfers recognised - capital	23 409	24 094	33 670	42 476	51 044	51 044	51 044	46 538	56 807	54 559
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	1 364	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	3 500	3 200	3 200	3 200	15 910	2 200	4 280
<b>Total sources of capital funds</b>	23 409	25 458	33 670	45 976	54 244	54 244	54 244	62 448	59 007	58 839
<b>Financial position</b>										
Total current assets	48 492	62 131	90 928	45 386	74 366	74 366	74 366	69 992	70 533	67 849
Total non current assets	441 990	466 895	483 393	453 810	507 804	507 804	507 804	539 755	559 238	577 948
Total current liabilities	33 916	35 562	43 721	19 622	42 218	42 218	42 218	51 872	56 994	56 055
Total non current liabilities	24 523	24 763	24 534	21 600	19 590	19 590	19 590	21 888	24 893	25 360
Community wealth/Equity	432 043	468 701	506 067	457 974	520 362	520 362	520 362	535 887	547 884	564 382
<b>Cash flows</b>										
Net cash from (used) operating	19 485	25 761	57 589	36 231	17 340	17 340	17 340	34 160	45 034	38 307
Net cash from (used) investing	(21 312)	(22 148)	(34 362)	(34 285)	(32 368)	(32 368)	(32 368)	(37 374)	(41 188)	(41 055)
Net cash from (used) financing	2 449	(223)	(287)	(183)	(9)	(9)	(9)	(153)	(169)	(291)
<b>Cash/cash equivalents at the year end</b>	34 158	37 548	60 488	62 251	45 451	45 451	45 451	42 084	45 761	42 722
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	21 158	31 549	60 489	19 675	45 452	45 452	45 452	42 085	45 762	42 723
Application of cash and investments	24 498	15 558	19 979	11 115	43 101	43 101	43 101	40 445	44 695	40 964
<b>Balance - surplus (shortfall)</b>	(3 340)	21 991	40 510	8 560	2 351	2 351	2 351	1 640	1 067	1 759
<b>Asset management</b>										
Asset register summary (WDV)	439 993	465 465	481 969	451 507	506 359	506 359	538 305	538 305	557 785	576 497
Depreciation & asset impairment	7 037	7 548	8 056	8 547	8 459	8 459	8 932	8 932	9 415	9 923
Renewal of Existing Assets	1 357	1 907	7 234	14 251	16 330	16 330	16 330	26 464	24 248	18 286
Repairs and Maintenance	5 096	10 013	10 013	10 988	15 114	15 114	15 963	15 963	17 332	18 423
<b>Free services</b>										
Cost of Free Basic Services provided	120	126	153	149	153	153	166	166	176	188
Revenue cost of free services provided	13 974	11 182	13 202	12 482	13 202	13 202	14 456	14 456	15 174	16 110
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	1	-	1	1	1	1	1	1	1	1
Refuse:	-	-	-	-	-	-	-	-	-	-

KZN284 uMlalazi - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		82 417	79 050	90 523	99 840	101 482	101 482	121 038	148 759	155 913
Executive and council		80 147	76 776	87 925	96 973	98 924	98 924	117 224	144 827	152 861
Budget and treasury office		2 193	2 059	2 253	2 456	2 215	2 215	2 453	2 551	2 651
Corporate services		77	215	345	411	342	342	1 362	1 381	402
<i>Community and public safety</i>		15 954	16 564	14 185	13 173	12 998	12 998	14 149	16 230	17 209
Community and social services		1 478	2 969	3 406	3 859	4 044	4 044	3 942	4 357	4 621
Sport and recreation		2 372	4 067	3 030	2 427	2 337	2 337	2 604	3 399	3 564
Public safety		4 230	3 168	4 089	4 773	4 028	4 028	4 475	4 804	5 062
Housing		1 252	136	1 376	134	560	560	143	150	158
Health		6 622	6 224	2 284	1 980	2 030	2 030	2 986	3 520	3 804
<i>Economic and environmental services</i>		8 331	10 783	13 759	10 656	14 010	14 010	15 824	14 342	15 074
Planning and development		808	1 370	1 826	2 505	2 659	2 659	3 814	1 666	1 691
Road transport		7 523	9 413	11 932	8 151	11 351	11 351	12 010	12 677	13 383
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		48 732	58 337	73 901	80 340	86 230	86 230	83 095	85 888	91 091
Electricity		39 422	48 582	63 297	67 170	73 352	73 352	68 868	70 746	75 162
Water		-	-	-	-	-	-	-	-	-
Waste water management		2	3	1	1	1	1	1	1	1
Waste management		9 308	9 752	10 603	13 169	12 877	12 877	14 226	15 141	15 928
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>2</b>	<b>155 435</b>	<b>164 734</b>	<b>192 368</b>	<b>204 008</b>	<b>214 720</b>	<b>214 720</b>	<b>234 106</b>	<b>265 219</b>	<b>279 287</b>
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		61 509	50 196	61 652	66 295	67 960	67 960	81 446	105 854	110 323
Executive and council		50 472	38 445	47 242	49 552	51 301	51 301	61 031	84 371	88 487
Budget and treasury office		7 101	7 565	9 913	11 161	11 134	11 134	12 953	13 789	14 681
Corporate services		3 936	4 186	4 496	5 582	5 525	5 525	7 462	7 694	7 155
<i>Community and public safety</i>		34 451	38 025	39 945	40 073	40 640	40 640	46 404	50 401	53 757
Community and social services		4 354	5 194	6 321	5 356	5 235	5 235	5 749	6 094	6 583
Sport and recreation		8 221	9 168	9 163	9 868	9 373	9 373	10 218	11 528	12 242
Public safety		13 027	16 321	18 698	20 564	21 157	21 157	24 637	26 241	27 892
Housing		1 200	208	1 327	135	573	573	156	165	174
Health		7 649	7 134	4 436	4 150	4 302	4 302	5 644	6 374	6 866
<i>Economic and environmental services</i>		12 583	15 692	18 309	16 915	20 176	20 176	22 706	21 766	23 067
Planning and development		2 021	2 549	3 331	4 272	4 156	4 156	5 544	3 521	3 681
Road transport		10 562	13 143	14 978	12 643	16 020	16 020	17 162	18 245	19 385
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		51 198	58 875	70 658	80 150	85 406	85 406	82 948	86 564	91 477
Electricity		39 300	45 912	55 606	64 184	70 582	70 582	66 155	68 744	72 567
Water		-	-	-	-	-	-	-	-	-
Waste water management		334	351	661	720	594	594	731	778	829
Waste management		11 564	12 612	14 391	15 246	14 230	14 230	16 063	17 041	18 081
<i>Other</i>	4	341	455	440	526	486	486	552	590	631
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>160 082</b>	<b>163 243</b>	<b>191 003</b>	<b>203 959</b>	<b>214 668</b>	<b>214 668</b>	<b>234 056</b>	<b>265 175</b>	<b>279 255</b>
<b>Surplus/(Deficit) for the year</b>		<b>(4 647)</b>	<b>1 491</b>	<b>1 365</b>	<b>49</b>	<b>52</b>	<b>52</b>	<b>49</b>	<b>44</b>	<b>32</b>

KZN284 uMlalazi - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>Revenue by Vote</b>	<b>1</b>									
Vote 1 - EXECUTIVE AND COUNCIL		80 147	76 775	87 925	97 010	98 924	98 924	117 224	144 827	152 861
Vote 2 - BUDGET AND TREASURY OFFICE		2 193	2 059	2 253	2 456	2 215	2 215	2 453	2 551	2 651
Vote 3 - CORPORATE SERVICES		1 183	1 482	1 959	934	934	934	1 711	1 938	802
Vote 4 - PLANNING AND DEVELOPMENT		808	1 370	1 826	2 505	2 659	2 659	3 814	1 666	1 691
Vote 5 - HEALTH		6 622	6 224	2 284	1 980	2 030	2 030	2 986	3 520	3 804
Vote 6 - COMMUNITY AND SOCIAL SERVICES		372	1 702	1 792	3 300	3 453	3 453	3 593	3 799	4 221
Vote 7 - HOUSING		1 252	136	1 376	134	560	560	143	150	158
Vote 8 - PUBLIC SAFETY		4 230	3 168	4 089	4 773	4 028	4 028	4 475	4 804	5 062
Vote 9 - SPORTS AND RECREATION		2 372	4 066	3 030	2 427	2 337	2 337	2 604	3 399	3 564
Vote 10 - WASTE MANAGEMENT		9 310	9 755	10 603	13 170	12 879	12 879	14 227	15 142	15 929
Vote 11 - ROAD TRANSPORT		7 523	9 413	11 932	8 151	11 351	11 351	12 010	12 677	13 383
Vote 12 - ELECTRICITY		39 422	48 582	63 297	67 170	73 352	73 352	68 868	70 746	75 162
Vote 13 - AIR TRANSPORT		-	-	-	-	-	-	-	-	-
Vote 14 - WORKSHOP		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>155 434</b>	<b>164 732</b>	<b>192 367</b>	<b>204 008</b>	<b>214 721</b>	<b>214 721</b>	<b>234 106</b>	<b>265 219</b>	<b>279 287</b>
<b>Expenditure by Vote to be appropriated</b>	<b>1</b>									
Vote 1 - EXECUTIVE AND COUNCIL		50 472	38 445	47 242	49 553	51 301	51 301	61 031	84 371	88 487
Vote 2 - BUDGET AND TREASURY OFFICE		7 101	7 565	9 913	11 160	11 135	11 135	12 953	13 789	14 681
Vote 3 - CORPORATE SERVICES		6 111	6 815	7 896	7 638	7 598	7 598	9 460	10 009	9 593
Vote 4 - PLANNING AND DEVELOPMENT		2 021	2 549	3 331	4 272	4 156	4 156	5 544	3 521	3 681
Vote 5 - HEALTH		7 649	7 134	4 437	4 150	4 302	4 302	5 644	6 374	6 866
Vote 6 - COMMUNITY AND SOCIAL SERVICES		2 178	2 565	2 922	3 300	3 162	3 162	3 751	3 780	4 145
Vote 7 - HOUSING		1 200	207	1 327	135	573	573	156	165	174
Vote 8 - PUBLIC SAFETY		13 027	16 321	18 697	20 564	21 157	21 157	24 637	26 241	27 892
Vote 9 - SPORTS AND RECREATION		8 221	9 167	9 163	9 868	9 373	9 373	10 218	11 527	12 241
Vote 10 - WASTE MANAGEMENT		11 899	12 963	15 052	15 966	14 824	14 824	16 794	17 820	18 910
Vote 11 - ROAD TRANSPORT		10 563	13 143	14 977	12 643	16 021	16 021	17 162	18 245	19 385
Vote 12 - ELECTRICITY		39 300	45 912	55 606	64 184	70 582	70 582	66 155	68 744	72 567
Vote 13 - AIR TRANSPORT		9	9	12	12	12	12	12	13	14
Vote 14 - WORKSHOP		332	446	429	514	474	474	539	577	618
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>160 082</b>	<b>163 241</b>	<b>191 004</b>	<b>203 959</b>	<b>214 670</b>	<b>214 670</b>	<b>234 056</b>	<b>265 175</b>	<b>279 255</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>(4 647)</b>	<b>1 491</b>	<b>1 364</b>	<b>49</b>	<b>52</b>	<b>52</b>	<b>49</b>	<b>44</b>	<b>32</b>

KZN284 uMlalazi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>										
<b>Revenue By Source</b>											
Property rates	2	40 566	28 733	30 174	33 019	32 912	32 912	32 912	34 456	36 377	38 004
Property rates - penalties & collection charges		979	680	691	825	550	550	550	581	613	646
Service charges - electricity revenue	2	37 885	44 730	49 305	51 865	51 843	51 843	51 843	55 050	58 649	62 958
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	6 134	7 297	8 194	9 058	9 149	9 149	9 149	10 077	10 621	11 165
Service charges - other											
Rental of facilities and equipment		1 358	1 516	1 707	1 267	1 301	1 301	1 301	1 373	1 447	1 359
Interest earned - external investments		635	1 139	2 491	1 100	2 500	2 500	2 500	2 600	2 700	2 800
Interest earned - outstanding debtors		-	-	-	-	-	-	-	150	160	170
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		3 375	2 623	2 835	3 604	2 959	2 959	2 959	3 124	3 293	3 471
Licences and permits		3 140	3 318	3 389	3 551	3 451	3 451	3 451	3 645	3 841	4 049
Agency services											
Transfers recognised - operational		57 516	69 774	90 698	96 758	106 889	106 889	106 889	119 852	144 166	151 165
Other revenue	2	3 175	2 463	2 760	2 760	2 966	2 966	2 966	3 097	3 231	3 371
Gains on disposal of PPE		671	2 461	122	200	200	200	200	100	120	130
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>155 434</b>	<b>164 734</b>	<b>192 367</b>	<b>204 008</b>	<b>214 720</b>	<b>214 720</b>	<b>214 720</b>	<b>234 106</b>	<b>265 219</b>	<b>279 287</b>
<b>Expenditure By Type</b>											
Employee related costs	2	49 867	51 875	54 201	63 358	60 142	60 142	60 142	71 574	96 593	103 407
Remuneration of councillors		10 954	12 059	12 733	14 696	14 097	14 097	14 097	16 895	18 064	19 315
Debt impairment	3	1 226	1 846	1 389	1 364	1 364	1 364	1 364	1 440	1 518	1 600
Depreciation & asset impairment	2	7 037	7 548	8 056	8 547	8 459	8 459	8 459	8 932	9 415	9 923
Finance charges		643	770	709	698	676	676	676	714	753	794
Bulk purchases	2	25 780	31 537	35 992	38 566	37 983	37 983	37 983	41 013	44 609	47 563
Other materials	8										
Contracted services		12 891	17 921	19 454	20 435	21 790	21 790	21 790	26 421	26 432	25 719
Transfers and grants		2 074	2 572	2 812	3 091	2 989	2 989	2 989	3 388	3 573	3 770
Other expenditure	4, 5	49 610	37 114	55 660	53 205	67 169	67 169	67 169	63 680	64 219	67 166
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>160 081</b>	<b>163 243</b>	<b>191 004</b>	<b>203 959</b>	<b>214 668</b>	<b>214 668</b>	<b>214 668</b>	<b>234 056</b>	<b>265 175</b>	<b>279 255</b>
<b>Surplus/(Deficit)</b>		<b>(4 647)</b>	<b>1 491</b>	<b>1 364</b>	<b>49</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>49</b>	<b>44</b>	<b>32</b>
Transfers recognised - capital	6	23 409	25 458	35 093	42 476	31 973	31 973	31 973	46 538	56 807	54 559
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>18 762</b>	<b>26 949</b>	<b>36 456</b>	<b>42 525</b>	<b>32 024</b>	<b>32 024</b>	<b>32 024</b>	<b>46 587</b>	<b>56 851</b>	<b>54 591</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>18 762</b>	<b>26 949</b>	<b>36 456</b>	<b>42 525</b>	<b>32 024</b>	<b>32 024</b>	<b>32 024</b>	<b>46 587</b>	<b>56 851</b>	<b>54 591</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>18 762</b>	<b>26 949</b>	<b>36 456</b>	<b>42 525</b>	<b>32 024</b>	<b>32 024</b>	<b>32 024</b>	<b>46 587</b>	<b>56 851</b>	<b>54 591</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>18 762</b>	<b>26 949</b>	<b>36 456</b>	<b>42 525</b>	<b>32 024</b>	<b>32 024</b>	<b>32 024</b>	<b>46 587</b>	<b>56 851</b>	<b>54 591</b>



CHART A4 FINANCIAL PERFORMANCE (REVENUE)	
2014/2015 MTREF	
DESCRIPTION	BUDGET YEAR 2014/2015 R'000
<b>REVENUE BY SOURCE</b>	
PROPERTY RATES	34 456
SERVICE CHARGES : ELECTRICITY	55 050
SERVICE CHARGES : REFUSE	10 077
TRANSFERS RECOGNISED - OPERATING	119 852
TRANSFERS RECOGNISED - CAPITAL	46 538
OTHER REVENUE	14 671
<b>TOTAL REVENUE</b>	<b>280 644</b>

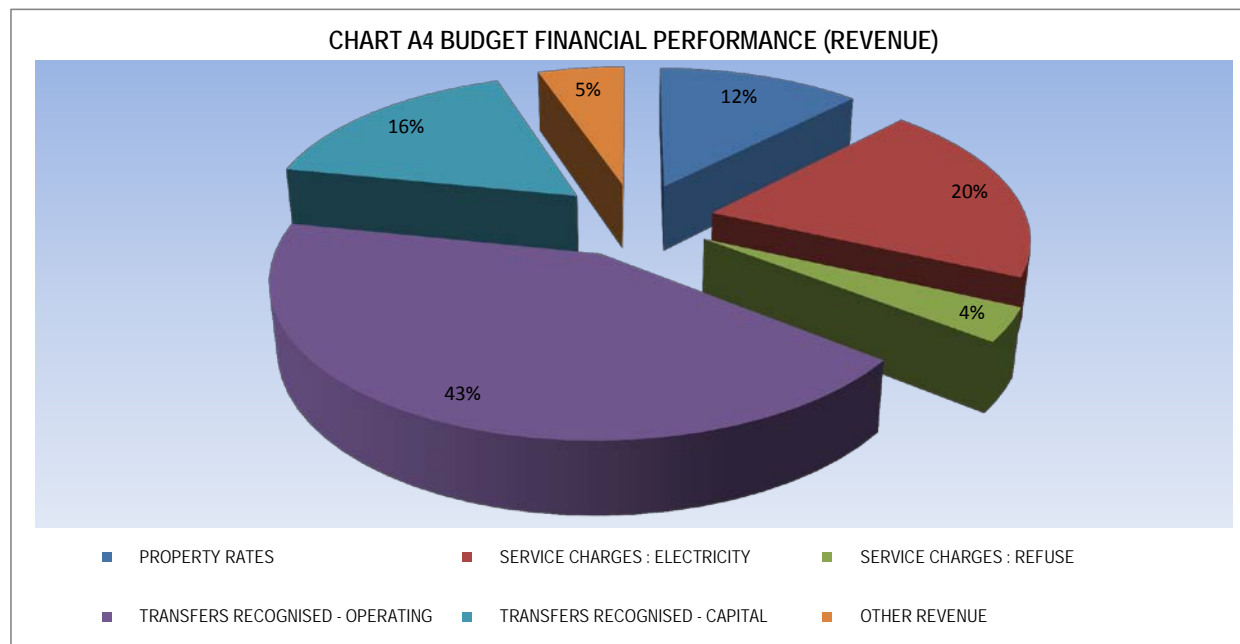
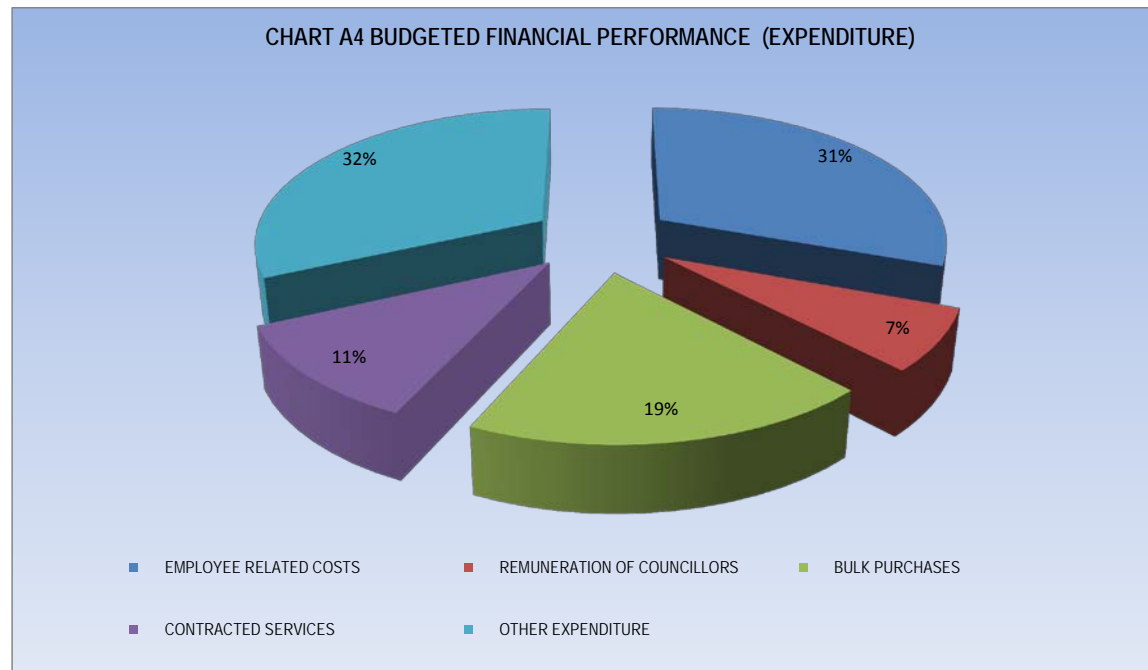


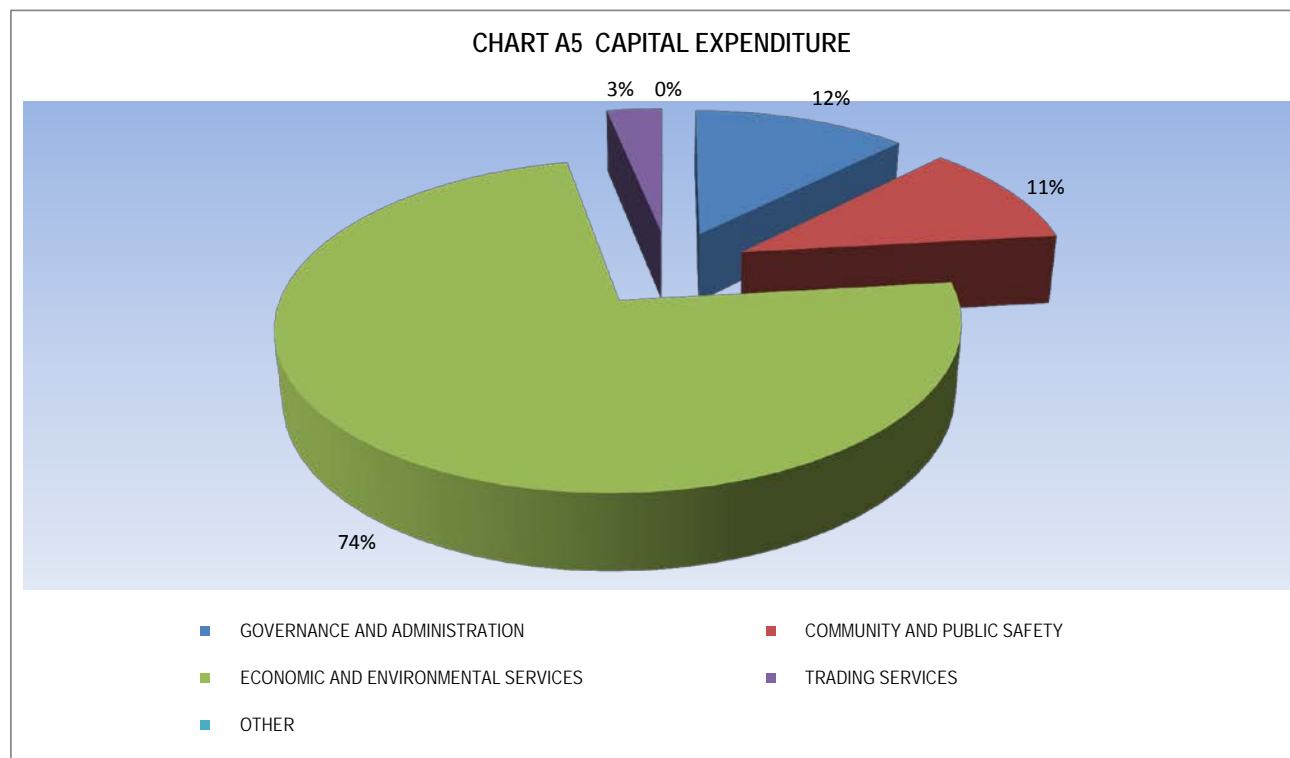
CHART A4 FINANCIAL PERFORMANCE BUDGET (EXPENDITURE)	
2014/2015MTREF	
DESCRIPTION	BUDGET YEAR 2014/2015R'000
EXPENDITURE BY TYPE	
EMPLOYEE RELATED COSTS	71 574
REMUNERATION OF COUNCILLORS	16 895
BULK PURCHASES	44 609
CONTRACTED SERVICES	26 421
OTHER EXPENDITURE	74 559
TOTAL EXPENDITURE	234 056



KZN284 uMlalazi - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - EXECUTIVE AND COUNCIL		2 072	837	797	1 055	1 111	1 111	1 111	228	470	30
Vote 2 - BUDGET AND TREASURY OFFICE		228	626	265	293	296	296	296	934	256	178
Vote 3 - CORPORATE SERVICES		1 087	805	2 926	2 280	4 295	4 295	4 295	6 550	3 344	5 761
Vote 4 - PLANNING AND DEVELOPMENT		28	58	6	80	80	80	80	-	-	-
Vote 5 - HEALTH		126	51	17	15	15	15	15	55	10	65
Vote 6 - COMMUNITY AND SOCIAL SERVICES		2 834	1 226	922	470	1 670	1 670	1 670	410	470	1 060
Vote 7 - HOUSING		-	-	-	-	-	-	-	-	-	-
Vote 8 - PUBLIC SAFETY		664	497	1 823	820	793	793	793	690	490	3 355
Vote 9 - SPORTS AND RECREATION		2 237	2 001	2 552	2 640	2 886	2 886	2 886	5 620	8 215	14 923
Vote 10 - WASTE MANAGEMENT		4 257	358	528	4 062	8 901	8 901	8 901	900	1 770	400
Vote 11 - ROAD TRANSPORT		8 289	18 423	23 357	32 563	32 252	32 252	32 252	45 961	40 819	30 606
Vote 12 - ELECTRICITY		1 548	547	432	1 438	1 686	1 686	1 686	1 100	3 163	2 460
Vote 13 - AIR TRANSPORT		-	-	-	-	-	-	-	-	-	-
Vote 14 - WORKSHOP		37	29	44	260	260	260	260	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>23 409</b>	<b>25 458</b>	<b>33 670</b>	<b>45 976</b>	<b>54 244</b>	<b>54 244</b>	<b>54 244</b>	<b>62 448</b>	<b>59 007</b>	<b>58 839</b>
<b>Total Capital Expenditure - Vote</b>		<b>23 409</b>	<b>25 458</b>	<b>33 670</b>	<b>45 976</b>	<b>54 244</b>	<b>54 244</b>	<b>54 244</b>	<b>62 448</b>	<b>59 007</b>	<b>58 839</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>3 388</b>	<b>2 268</b>	<b>3 988</b>	<b>3 628</b>	<b>5 702</b>	<b>5 702</b>	<b>5 702</b>	<b>7 712</b>	<b>4 070</b>	<b>5 970</b>
Executive and council		2 072	837	797	1 055	1 111	1 111	1 111	228	470	30
Budget and treasury office		228	626	265	293	296	296	296	934	256	178
Corporate services		1 087	805	2 926	2 280	4 295	4 295	4 295	6 550	3 344	5 761
<b>Community and public safety</b>		<b>5 862</b>	<b>3 775</b>	<b>5 314</b>	<b>3 945</b>	<b>5 364</b>	<b>5 364</b>	<b>5 364</b>	<b>6 775</b>	<b>9 185</b>	<b>19 404</b>
Community and social services		2 834	1 226	922	470	1 670	1 670	1 670	410	470	1 060
Sport and recreation		2 237	2 001	2 552	2 640	2 886	2 886	2 886	5 620	8 215	14 923
Public safety		664	497	1 823	820	793	793	793	690	490	3 355
Housing		-	-	-	-	-	-	-	-	-	-
Health		126	51	17	15	15	15	15	55	10	65
<b>Economic and environmental services</b>		<b>8 316</b>	<b>18 481</b>	<b>23 363</b>	<b>32 643</b>	<b>32 332</b>	<b>32 332</b>	<b>32 332</b>	<b>45 961</b>	<b>40 819</b>	<b>30 606</b>
Planning and development		28	58	6	80	80	80	80	-	-	-
Road transport		8 289	18 423	23 357	32 563	32 252	32 252	32 252	45 961	40 819	30 606
Environmental protection		-	0	0	0	0	0	0	0	0	0
<b>Trading services</b>		<b>5 805</b>	<b>905</b>	<b>960</b>	<b>5 500</b>	<b>10 587</b>	<b>10 587</b>	<b>10 587</b>	<b>2 000</b>	<b>4 933</b>	<b>2 860</b>
Electricity		1 548	547	432	1 438	1 686	1 686	1 686	1 100	3 163	2 460
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		4 257	358	528	4 062	8 901	8 901	8 901	900	1 770	400
Other		37	29	44	260	260	260	260	-	-	-
<b>Total Capital Expenditure - Standard</b>	<b>3</b>	<b>23 409</b>	<b>25 458</b>	<b>33 670</b>	<b>45 976</b>	<b>54 244</b>	<b>54 244</b>	<b>54 244</b>	<b>62 448</b>	<b>59 007</b>	<b>58 839</b>
<b>Funded by:</b>											
National Government		23 409	24 094	32 602	42 476	51 044	51 044	51 044	44 288	56 807	54 559
Provincial Government		-	-	1 068	-	-	-	-	2 250	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>23 409</b>	<b>24 094</b>	<b>33 670</b>	<b>42 476</b>	<b>51 044</b>	<b>51 044</b>	<b>51 044</b>	<b>46 538</b>	<b>56 807</b>	<b>54 559</b>
<b>Public contributions &amp; donations</b>	<b>5</b>										
<b>Borrowing</b>	<b>6</b>		1 364								
<b>Internally generated funds</b>					3 500	3 200	3 200	3 200	15 910	2 200	4 280
<b>Total Capital Funding</b>	<b>7</b>	<b>23 409</b>	<b>25 458</b>	<b>33 670</b>	<b>45 976</b>	<b>54 244</b>	<b>54 244</b>	<b>54 244</b>	<b>62 448</b>	<b>59 007</b>	<b>58 839</b>

CHART A5 CAPITAL EXPENDITURE BY STANDARD CLASSIFICATION	
2014/2015 MTREF	
DESCRIPTION	BUDGET YEAR 2014/2015 R'000
GOVERNANCE AND ADMINISTRATION	7 767 210
COMMUNITY AND PUBLIC SAFETY	6 720 000
ECONOMIC AND ENVIRONMENTAL SERVICES	45 961 000
TRADING SERVICES	2 000 000
OTHER	0
<b>TOTAL EXPENDITURE</b>	<b>62 448 210</b>



KZN284 uMlalazi - Table A6 Budgeted Financial Position

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		4 132	37 548	60 488	4 734	45 451	45 451	45 451	42 084	45 761	42 722
Call investment deposits	1	17 025	–	–	14 940	–	–	–	–	–	–
Consumer debtors	1	21 972	20 058	25 410	20 708	23 050	23 050	23 050	22 325	19 400	19 773
Other debtors		3 424	1 732	1 690	2 962	2 520	2 520	2 520	2 237	2 244	2 196
Current portion of long-term receivables		22	20	26	20	20	20	20	20	21	20
Inventory	2	1 917	2 773	3 314	2 022	3 325	3 325	3 325	3 326	3 107	3 138
<b>Total current assets</b>		<b>48 492</b>	<b>62 131</b>	<b>90 928</b>	<b>45 386</b>	<b>74 366</b>	<b>74 366</b>	<b>74 366</b>	<b>69 992</b>	<b>70 533</b>	<b>67 849</b>
<b>Non current assets</b>											
Long-term receivables		1 457	1 429	1 423	1 473	1 444	1 444	1 444	1 449	1 452	1 450
Investments	1	1	1	1	1	1	1	1	1	1	1
Investment property		8 601	9 401	10 316	11 001	11 116	11 116	11 116	11 926	12 746	13 576
Investment in Associate											
Property, plant and equipment	3	431 343	456 018	471 590	440 440	495 170	495 170	495 170	526 296	544 946	562 813
Agricultural											
Biological											
Intangible		49	46	63	66	73	73	73	83	93	108
Other non-current assets		539	–		829						
<b>Total non current assets</b>		<b>441 990</b>	<b>466 895</b>	<b>483 393</b>	<b>453 810</b>	<b>507 804</b>	<b>507 804</b>	<b>507 804</b>	<b>539 755</b>	<b>559 238</b>	<b>577 948</b>
<b>TOTAL ASSETS</b>		<b>490 482</b>	<b>529 026</b>	<b>574 321</b>	<b>499 196</b>	<b>582 170</b>	<b>582 170</b>	<b>582 170</b>	<b>609 747</b>	<b>629 771</b>	<b>645 797</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1										
Borrowing	4	343	343	343	343	343	343	343	343	343	343
Consumer deposits		979	1 099	1 155	1 489	1 489	1 489	1 489	1 679	1 853	1 905
Trade and other payables	4	29 267	18 128	38 537	12 703	35 948	35 948	35 948	44 605	48 872	47 213
Provisions		3 327	15 992	3 686	5 087	4 438	4 438	4 438	5 245	5 926	6 595
<b>Total current liabilities</b>		<b>33 916</b>	<b>35 562</b>	<b>43 721</b>	<b>19 622</b>	<b>42 218</b>	<b>42 218</b>	<b>42 218</b>	<b>51 872</b>	<b>56 994</b>	<b>56 055</b>
<b>Non current liabilities</b>											
Borrowing		5 828	5 485	5 142	4 799	4 799	4 799	4 799	4 456	4 113	3 770
Provisions		18 695	19 278	19 392	16 801	14 791	14 791	14 791	17 532	20 780	21 590
<b>Total non current liabilities</b>		<b>24 523</b>	<b>24 763</b>	<b>24 534</b>	<b>21 600</b>	<b>19 590</b>	<b>19 590</b>	<b>19 590</b>	<b>21 988</b>	<b>24 893</b>	<b>25 360</b>
<b>TOTAL LIABILITIES</b>		<b>58 439</b>	<b>60 325</b>	<b>68 255</b>	<b>41 222</b>	<b>61 808</b>	<b>61 808</b>	<b>61 808</b>	<b>73 860</b>	<b>81 887</b>	<b>81 415</b>
<b>NET ASSETS</b>	5	<b>432 043</b>	<b>468 701</b>	<b>506 067</b>	<b>457 974</b>	<b>520 362</b>	<b>520 362</b>	<b>520 362</b>	<b>535 887</b>	<b>547 884</b>	<b>564 382</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		169 200	198 590	234 968	270 705	277 524	277 524	277 524	337 143	399 296	457 009
Reserves	4	262 843	270 111	271 099	187 269	242 838	242 838	242 838	198 744	148 588	107 373
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>432 043</b>	<b>468 701</b>	<b>506 067</b>	<b>457 974</b>	<b>520 362</b>	<b>520 362</b>	<b>520 362</b>	<b>535 887</b>	<b>547 884</b>	<b>564 382</b>

KZN284 uMlalazi - Table A7 Budgeted Cash Flows

KZN204 Annual Report - Table A1: Budgeted Cash Flows											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		89 715	82 747	121 806	94 917	94 095	94 095	94 095	99 786	105 737	111 879
Government - operating	1	57 516	69 774	90 698	96 759	106 889	106 889	106 889	119 852	144 166	151 165
Government - capital	1	21 843	22 269	35 093	42 476	31 973	31 973	31 973	46 538	56 807	54 559
Interest		1 074	1 667	2 491	1 100	2 500	2 500	2 500	2 600	2 700	2 800
Dividends											
Payments											
Suppliers and employees		(149 621)	(147 354)	(188 978)	(195 233)	(214 452)	(214 452)	(214 452)	(230 514)	(260 050)	(277 532)
Finance charges		(643)	(770)	(709)	(698)	(676)	(676)	(676)	(714)	(753)	(794)
Transfers and Grants	1	(399)	(2 572)	(2 812)	(3 090)	(2 989)	(2 989)	(2 989)	(3 388)	(3 573)	(3 770)
NET CASH FROM/(USED) OPERATING ACTIVITIES		19 485	25 761	57 589	36 231	17 340	17 340	17 340	34 160	45 034	38 307
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		730	2 512	439	200	200	200	200	100	120	130
Decrease (Increase) in non-current debtors		(499)	(2)	5	(3)	(21)	(21)	(21)	(5)	(3)	2
Decrease (Increase) other non-current receivables											
Decrease (Increase) in non-current investments											
Payments											
Capital assets		(21 543)	(24 658)	(34 806)	(34 482)	(32 547)	(32 547)	(32 547)	(37 469)	(41 305)	(41 187)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(21 312)	(22 148)	(34 362)	(34 285)	(32 368)	(32 368)	(32 368)	(37 374)	(41 188)	(41 055)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing		2 575									
Increase (decrease) in consumer deposits		203	120	56	160	334	334	334	190	174	52
Payments											
Repayment of borrowing		(329)	(343)	(343)	(343)	(343)	(343)	(343)	(343)	(343)	(343)
NET CASH FROM/(USED) FINANCING ACTIVITIES		2 449	(223)	(287)	(183)	(9)	(9)	(9)	(153)	(169)	(291)
NET INCREASE/ (DECREASE) IN CASH HELD											
	2	622	3 390	22 940	1 763	(15 037)	(15 037)	(15 037)	(3 367)	3 677	(3 039)
Cash/cash equivalents at the year begin:		33 536	34 158	37 548	60 488	60 488	60 488	60 488	45 451	42 084	45 761
Cash/cash equivalents at the year end:	2	34 158	37 548	60 488	62 251	45 451	45 451	45 451	42 084	45 761	42 722

KZN284 uMlalazi - Table A8 Cash backed reserves/accumulated surplus reconciliation

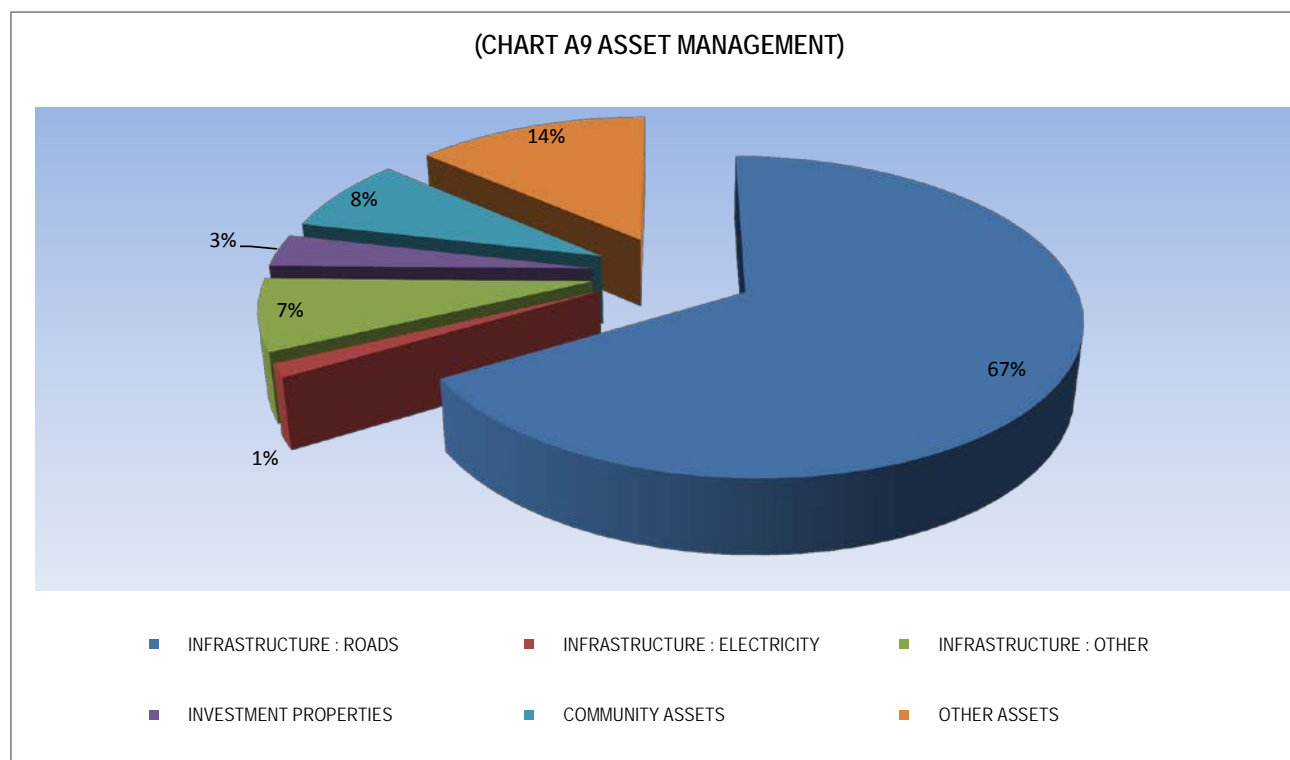
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	34 158	37 548	60 488	62 251	45 451	45 451	45 451	42 084	45 761	42 722
Other current investments > 90 days		(13 001)	(1)	-	(42 577)	-	-	-	-	-	-
Non current assets - Investments	1	1	1	1	1	1	1	1	1	1	1
<b>Cash and investments available:</b>		<b>21 158</b>	<b>37 549</b>	<b>60 489</b>	<b>19 675</b>	<b>45 452</b>	<b>45 452</b>	<b>45 452</b>	<b>42 085</b>	<b>45 762</b>	<b>42 723</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		16 032	5 927	13 826	4 564	15 209	15 209	15 209	25 278	27 946	24 953
Unspent borrowing		5 828	5 485	5 142	4 799	4 799	4 799	4 799	4 456	4 113	3 770
Statutory requirements	2	1 547	513	880	1 100	1 100	1 100	1 100	1 000	750	700
Other working capital requirements	3	(13 248)	(9 341)	(11 243)	(15 486)	(4 539)	(4 539)	(4 539)	(4 940)	(479)	631
Other provisions		820	841	842	870	870	870	870	860	891	910
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	13 519	12 133	10 532	15 268	25 662	25 662	25 662	13 791	11 474	10 000
<b>Total Application of cash and investments:</b>		<b>24 498</b>	<b>15 558</b>	<b>19 979</b>	<b>11 115</b>	<b>43 101</b>	<b>43 101</b>	<b>43 101</b>	<b>40 445</b>	<b>44 695</b>	<b>40 964</b>
<b>Surplus(shortfall)</b>		<b>(3 340)</b>	<b>21 991</b>	<b>40 510</b>	<b>8 560</b>	<b>2 351</b>	<b>2 351</b>	<b>2 351</b>	<b>1 640</b>	<b>1 067</b>	<b>1 759</b>

KZN284 uMlalazi - Table A9 Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b><u>Total New Assets</u></b>	1	22 051	23 551	26 436	31 725	37 914	37 914	35 985	34 759	40 553
Infrastructure - Road transport		6 417	17 066	16 687	17 833	20 661	20 661	22 879	14 760	2 589
Infrastructure - Electricity		1 463	347	437	1 003	1 229	1 229	580	800	1 350
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		4 593	813	63	7 727	10 371	10 371	4 402	9 136	13 850
Infrastructure		12 473	18 226	17 187	26 563	32 261	32 261	27 861	24 696	17 789
Community		5 362	3 086	5 048	3 400	3 800	3 800	4 390	6 125	17 449
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		1 866	800	-	-	-	-	2 100	-	-
Other assets		2 351	1 439	4 202	1 762	1 853	1 853	1 634	3 938	5 315
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b><u>Total Renewal of Existing Assets</u></b>	2	1 357	1 907	7 234	14 251	16 330	16 330	26 464	24 248	18 286
Infrastructure - Road transport		866	1 060	6 024	9 920	12 063	12 063	18 669	15 892	14 166
Infrastructure - Electricity		85	140	-	140	119	119	270	1 343	260
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	130	-	130	130	130	220	-	-
Infrastructure		951	1 330	6 024	10 190	12 312	12 312	19 159	17 235	14 426
Community		184	230	1 210	1 015	1 015	1 015	450	3 650	150
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		223	347	-	3 046	3 003	3 003	6 855	3 363	3 710
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b><u>Total Capital Expenditure</u></b>	4									
Infrastructure - Road transport		7 283	18 126	22 711	27 753	32 724	32 724	41 548	30 652	16 755
Infrastructure - Electricity		1 548	487	437	1 143	1 348	1 348	850	2 143	1 610
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		4 593	943	63	7 857	10 501	10 501	4 622	9 136	13 850
Infrastructure		13 424	19 555	23 211	36 753	44 573	44 573	47 020	41 931	32 215
Community		5 546	3 316	6 258	4 415	4 815	4 815	4 840	9 775	17 599
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		1 866	800	-	-	-	-	2 100	-	-
Other assets		2 574	1 786	4 202	4 808	4 856	4 856	8 488	7 301	9 025
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	23 409	25 458	33 670	45 976	54 244	54 244	62 448	59 007	58 839
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport		192 154	212 208	200 451	217 103	220 085	220 085	245 014	266 470	278 199
Infrastructure - Electricity		40 984	39 798	38 116	38 643	38 623	38 623	39 423	40 423	41 423
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		24 529	-	-	29 452	31 039	31 039	33 812	40 207	49 902
Infrastructure		257 667	252 006	238 567	285 198	289 747	289 747	318 249	347 100	369 524
Community		51 276	52 594	57 250	59 889	60 139	60 139	63 043	69 886	82 205
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		8 601	9 401	10 316	11 001	11 116	11 116	11 926	12 746	13 576
Other assets		122 400	151 418	175 773	95 353	145 284	145 284	145 004	127 960	111 084
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		49	46	63	66	73	73	83	93	108
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	439 993	465 465	481 969	451 507	506 359	506 359	538 305	557 785	576 497
<b>EXPENDITURE OTHER ITEMS</b>										
<b><u>Depreciation &amp; asset impairment</u></b>		7 037	7 548	8 056	8 547	8 459	8 459	8 932	9 415	9 923
<b><u>Repairs and Maintenance by Asset Class</u></b>		5 096	10 013	10 013	10 988	15 114	15 114	15 963	17 332	18 423
Infrastructure - Road transport		1 634	4 227	4 284	5 697	9 092	9 092	9 637	10 190	10 780
Infrastructure - Electricity		1 092	1 082	1 328	1 415	1 515	1 515	1 611	1 709	1 815
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		492	630	797	758	749	749	827	893	966
Infrastructure		3 218	5 938	6 409	7 870	11 356	11 356	12 075	12 792	13 561
Community		1 428	3 405	2 982	2 121	2 229	2 229	2 509	2 886	3 114
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	47	-	-	-	56	59	62
Other assets		450	670	575	997	1 529	1 529	1 323	1 596	1 686
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	6, 7	12 133	17 561	18 069	19 535	23 573	23 573	24 895	26 747	28 346
<b>Renewal of Existing Assets as % of total capex</b>		5.8%	7.5%	21.5%	31.0%	30.1%	30.1%	42.4%	41.1%	31.1%
<b>Renewal of Existing Assets as % of deprecn"</b>		19.3%	25.3%	89.8%	166.7%	193.1%	193.1%	296.3%	257.6%	184.3%
<b>R&amp;M as a % of PPE</b>		1.2%	2.2%	2.1%	2.5%	3.1%	3.1%	3.0%	3.2%	3.3%
<b>Renewal and R&amp;M as a % of PPE</b>		1.0%	3.0%	4.0%	6.0%	6.0%	6.0%	8.0%	7.0%	6.0%



CHART A9 ASSET MANAGEMENT	
2014/2015BUDGET MTREF	
DESCRIPTION	BUDGET YEAR 2014/2015 R'000
ASSET REGISTER SUMMARY	
INFRASTRUCTURE : ROADS	41 548 000
INFRASTRUCTURE : ELECTRICITY	850 000
INFRASTRUCTURE : OTHER	4 622 000
INVESTMENT PROPERTIES	2 100 000
COMMUNITY ASSETS	4 840 000
OTHER ASSETS	8 488 210
TOTAL CAPITAL EXPENDITURE	62 448 210



KZN284 uMlalazi - Table A10 Basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue &		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Energy:</b>										
Electricity (at least min.service level)		1 552		528	695	528	528	440	440	440
Electricity - prepaid (min.service level)		4 340		3 630	334	3 630	3 630	3 756	3 756	3 756
Minimum Service Level and Above sub-total		5 892	-	4 158	1 029	4 158	4 158	4 196	4 196	4 196
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)		583		706	704	706	706	726	726	726
Other energy sources		583		706	704	706	706	726	726	726
Minimum Service Level and Above sub-total		583	-	706	704	706	706	726	726	726
<b>Total number of households</b>	5	6 475	-	4 864	1 733	4 864	4 864	4 922	4 922	4 922
<b>Refuse:</b>										
Removed at least once a week				4 751	4 450	4 751	4 751	4 609	4 609	4 609
Minimum Service Level and Above sub-total		-	-	4 751	4 450	4 751	4 751	4 609	4 609	4 609
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	###	-	-	4 751	4 450	4 751	4 751	4 609	4 609	4 609
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)		2 745	2 705	2 762	2 844	2 762	2 762	2 767	2 767	2 767
Refuse (removed at least once a week)		997	991	1 123	994	1 123	1 123	1 094	1 094	1 094
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)		35	32	37	37	37	37	37	40	44
Refuse (removed once a week)		85	94	116	112	116	116	129	136	144
<b>Total cost of FBS provided (minimum social package)</b>		120	126	153	149	153	153	166	176	188
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		50	75	75	75	75	75	75	75	75
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)										
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		984	740	754	753	754	754	716	744	799
Property rates (other exemptions, reductions and rebates)		11 314	8 307	9 957	9 225	9 957	9 957	10 991	11 524	12 237
Water										
Sanitation										
Electricity/other energy		869	1 048	1 095	1 197	1 095	1 095	1 198	1 271	1 350
Refuse		807	1 087	1 396	1 307	1 396	1 396	1 551	1 635	1 724
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
<b>Total revenue cost of free services provided (total social package)</b>	6	13 974	11 182	13 202	12 482	13 202	13 202	14 456	15 174	16 110

## 5. OVERVIEW OF ANNUAL BUDGET PROCESS

### 5.1 Process to prepare the budget

The budget and IDP process occurred according to the budget timetable approved by Council in August 2012. The Budget and MTREF was also prepared taking cognizance of the contents of the LG: MFMA, Act No. 56 of 2003, Circular No.58 and the LG: MFMA Budget Formats Guide received from National Treasury.

### 5.2 Service Delivery and Budget Implementation Plan

Section 1 of the Local Government: Municipal Finance Management Act (No.56 of 2003) defines the SDBIP as:

- “ a detailed plan approved by the mayor of a municipality in terms of section 53 (1)(c)(ii) for implementing the municipality’s delivery of services and the execution of its annual budget and which must include (as part of the top-layer) the following:
- (a) projections for each month of-
    - (i) revenue to be collected, by source; and
    - (ii) operational and capital expenditure, by vote;
  - (b) service delivery targets and performance indicators for each quarter”.

The municipal manager is responsible for the preparation of the SDBIP, which must be legally submitted to the mayor for approval once the budget has been approved by the council (around end-May or early-June). However, the municipal manager should start the process to prepare the top-layer of the SDBIP no later than the tabling of the budget (around March or earlier) and preferably submit a draft SDBIP to the mayor by 1 May (for initial approval). Once the budget is approved by the Council, the municipal manager should merely revise the approved draft SDBIP, and submit for final approval within 14 days after the approval of the budget. The mayor should therefore approve the final SDBIP and performance agreements simultaneously, and then make the SDBIP and performance agreement of the municipal manager public within 14 days, preferably before 1 July. Note that it is only the top layer (of high-level) detail of the SDBIP that is required to be made public.

It is the output and goals made public in the SDBIP that will be used to measure performance on a quarterly basis during the financial year. Note that such in-year monitoring is meant to be a light form of monitoring. The council should reserve its oversight role over performance at the end of the financial year, when the mayor tables the annual report of the municipality. The in-year monitoring is designed to pick up major problems only, and aimed at ensuring that the mayor and municipal manager are taking corrective steps when any unanticipated problems arise. The SDBIP serves a critical role to focus both the administration and council on outputs by providing clarity of service delivery expectations, expenditure and revenue requirements, service delivery targets and performance indicators.

The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councilors, municipal manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality. The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the municipal manager and the municipal manager and senior managers determined at the start of every financial year and approved by the mayor. It must also be consistent with outsourced service delivery agreements such as municipal entities, public-private partnerships, service contracts and the like.

The Service Delivery and Budget Implementation Plan (SDBIP) for the 2014/2015 budget year, is included in section 14 of this document.

### 5.3 Review of Integrated Development Plan (IDP)

Hereunder follows the summary of the IDP process:

MONTH	ACTIVITIES		
	IDP	PMS	BUDGET
July	<p>Submit draft 2014/2015 Process Plan to COGTA for assessment and approval by MEC.</p> <p>District adopts a binding framework for IDP Process Plan in the area as a whole ensuring alignment of the IDP process plan of the district and various local municipalities, MSA s 27.</p> <p>Development of IDP Process Plan that guide the planning, drafting, adoption and review of the plan, MSA s 28.</p>	<p>Mayor to ensure that performance agreements comply with MFMA and Municipal Systems Act Regulations to promote sound financial management.</p> <p>Mayor to ensure that agreements are linked to the measurable performance objectives approved with the budget and service delivery implementation plan.</p> <p>Mayor to ensure performance agreements submitted to Council and MEC for local government in the province.</p> <p>Final 2012/2013 Section 57 Managers' Performance Assessments.</p> <p>Quarterly Audit Committee meeting (for the last quarter of 2012/2013) MFMA Sect 166 &amp; MPPR Reg. 14(3)(a).</p> <p>Special Audit Committee meeting (for evaluation of s 57 Managers final assessments) MPPR Reg. 14(3)(b).</p>	<p>Chief Financial Officer discusses the 2014/2015 budget process with the Directors and Managers .</p> <p>Municipal Manager and Heads of Departments review options and contracts for service delivery, MSA s 76-81.</p> <p>Municipal Manager establishes committees and consultation forums (internal and external) for the budget process.</p>
August	<p>Consider proposals received from MEC, if any, MSA s 32.</p> <p>Consider comments received from Councillors, Ward Committees and other various roleplayers during the 2013/2014 IDP Review Roadshows and 2013/2014 Budget Planning.</p> <p>Workshop the entire Process Plan with Council.</p> <p>IDP Review Process Plan tabled at MANCO, EXCO and Council for final approval.</p> <p>Give notice to local community of particulars of the Process Plan, MSA s28. (The advert will come out in the first week of September 2013).</p>	<p>Quarterly SDBIP Report (for last quarter of 2012/2013) MPPR Reg. 14.</p> <p>Submit OPMS of the municipality to Auditor – General.</p>	<p>Submit financial statements of the municipality to Auditor - General, MFMA Sec 126(1)(a).</p>

September	<p>Hold a self-assessment Dialogue to review performance of the municipality and determine shortcomings and weaknesses.</p> <p>Integration of information into IDP where necessary including incorporation of Service Plans from Heads of Departments.</p> <p>Initiate the process of reviewing Spatial Development Framework.</p> <p>Updating and review of the strategic elements of the SDF in line with the EXCO focus.</p> <p>Public consultation in terms of CBP continues.</p> <p>Refinement of Statutory Plans initiated by Heads of Departments.</p>	Auditor General audit of performance measures	<p>Budget office issues 5 year capital programme to Mayor and Directors for amendments .</p> <p>Chief Financial Officer holds workshop with senior management to review the prioritization model to be used to compile the capital budget .</p> <p>Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads,</p>
October	<p>Continue with integration of information from Service Plans into the IDP.</p> <p>EXCO uThungulu to review and update the IDP Vision, Objectives and Strategies.</p> <p>Setting new strategic agenda for the IDP in light of the new focus of Council.</p> <p>Initiate the process of reviewing Spatial Development Framework.</p> <p>Community based planning launched.</p> <p>Engage in a process of developing ward plans in line with MTREF.</p> <p>Updating and review of the strategic elements of the SDF in line with the EXCO focus.</p>	Sect 57 Managers' quarterly Performance Assessments (for first quarter of 2013/2014)	<p>Budget office issues blank Operating budget to Mayor and Senior Managers to be used as working documents .</p> <p>Chief Financial Officer issues the 2014/2015 multi-year guideline addressing various budget assumptions, internal budget processes, policies etc .</p> <p>Municipal Manager does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials, MFMA s 35, 36, 42; MTBPS</p> <p>Chief Financial Officer obtains allocations from National and Provincial departments in term of the Draft Division of Revenue Bill.</p> <p>Budget requests from Councillors/ ward committees, fully supported within the IDP document, be submitted to the Municipal Manager in order for the relevant Director to determine the financial and operational impacts of such requests.</p>

November	<p>Continue with integration of information from Service Plans, Statutory Plans into the IDP.</p> <p>Initiate the process of reviewing Spatial Development Framework.</p> <p>Confirming municipal priority areas for the next 5 years.</p> <p>High level programmes from all wards integrated into IDP.</p> <p>Refining municipal Strategies, Objectives, KPA's, KPI's and targets so as to influence the budget.</p> <p>Set and agree on three IDP priority projects.</p> <p>Stakeholder Forum to refine, amend and/or confirm the above.</p> <p>Municipal Manager reviews and drafts initial changes to IDP, MSA s34.</p>	<p>Quarterly SDBIP Report (for first quarter of 2013/2014), MPPR Reg. 14.</p> <p>Quarterly Audit Committee meeting (for the first quarter of 2013/2014), MFMA Sect 166 &amp; MPPR Reg. 14(3)(a).</p> <p>Compile annual report for 2012/2013, MFMA s121.</p>	<p>Chief Financial Officer discusses with Directors/ Managers the draft capital projects for the 2014/2015 multi-year budget .</p> <p>Auditor-General to return audit report MFMA 126(3).</p> <p>Submission of the draft 5 year capital programme according to the Council's strategic objectives, as set out in the Integrated Developop Plan.</p> <p>Submission of the draft operating estimates for the 2014/2015 multi- year budget, analysed according to activities aligned to the Council's strategic objectives, as set in the Integrated Development Plan.</p> <p>Directors to submit business plans for their department's Equitable Share grant allocations spending for the 2014/2015 budget year.</p>
----------	---	---	--

December	<p>Institutional plan refined to deliver on the municipal strategy. Horizontal and vertical alignment with District, Province and other stakeholders begins.</p> <p>Directorates identifying programmes and projects with external stakeholders.</p> <p>Financial Plan and Capital Investment Plan are developed.</p>		<p>Council finalises tariff (rates and service charges) policies for next financial year, MSA s 74, 75.</p> <p>On receipt of the audit report, the Municipal Manager must address issues raised by the Auditor-General and prepare action plans to address issues and include these in the annual report, MFMA s131(1).</p> <p>Municipal Manager and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year performance as per audited financial statements.</p> <p>Directors to perform a mid-year financial review on the current year's (2013/2014) budget and revise estimates to submit an Adjustments budget to Council if considered necessary .</p>
January	<p>Horizontal and vertical alignment with District, Province and other stakeholders continues.</p> <p>Directorates identifying programmes and projects with external stakeholders.</p> <p>Capital Investment and Financial Plans refined.</p>	<p>Prepare service delivery and budget implementation plans linked to the IDP strategies, objectives, KPI's and targets.</p> <p>Annual Customer Satisfaction survey (to be consolidated to 2012/2013 annual report), MSA s 40.</p> <p>Mayor tables annual report for 2012/ 2013, MFMA Sect127 (2).</p> <p>Make public annual report and invite community inputs into report (MFMA s127 &amp; MSA s 21a).</p> <p>s 57 Managers' quarterly Performance Assessments (for second quarter of 2013/2014).</p>	<p>Chief Financial Officer discusses the draft operating and capital estimates for the 2014/2015 multi-year budget with Directors.</p> <p>Submission of adjustments budget, mid-year budget and performance assessment report to Budget Steering Committee.</p> <p>Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January), MFMA s 36.</p> <p>Submission of adjustments budget, mid-year budget and performance assessment report to Budget Steering Committee.</p> <p>Directors submit cash flow projections for the 2014/2015 capital projects.</p>

March	<p>Finalise Capital Investment Plan and Financial Plans.</p> <p>Conclusion of Service Plans and integration into the IDP document.</p> <p>Tabling of draft IDP to Council (Municipal Manager).</p> <p>Publication of the tabled IDP, budget, plans and invitation to local community and stakeholders for comments and inputs and submission to National and Provincial treasuries.</p>	<p>Council to consider and adopt an oversight report, due by 31 March, MFMA Sec 129(1).</p> <p>Set performance objectives for revenue for each budget vote, MFMA s 17.</p> <p>Tabling of draft SDBIP for 2014/2015 budget year.</p>	<p>Submit draft Capital and Operating estimates for the 2014/2015 budget year to Budget Steering Committee.</p> <p>Tabling of draft 2014/2015 multi - year budget to Council.</p> <p>Municipal Manager reviews any changes in prices for bulk resources as communicated, MFMA s 42.</p>
April	<p>Publication of the tabled draft IDP and invitation to local community and stakeholders for comments and inputs and submission to National and Provincial treasuries .</p> <p>Portfolio Committee and Council Hearings launched through series of public representations by community and stakeholders on the IDP.</p>	<p>Refinement of Municipal Strategies, Objectives, KPA's, KPI's and targets and inclusion into 2014/2018 IDP report.</p> <p>S57 Managers' Quarterly Performance Assessments (for third quarter of 2013/2014).</p> <p>Tabled draft 2014/2015 SDBIP in both printed and electronic format to National and Provincial Treasury within 10 working days after being approved by Council .</p> <p>Make public Oversight Report within seven day of adoption, MFMA Sec 129(3) and s 21A MSA.</p> <p>Within seven days of adoption of Oversight Report submit to the Provincial Legislature/MEC Local Government the annual report and the oversight reports on those annual reports, MFMA Sec 132(2).</p>	<p>Make public the tabled draft budget and supporting documentation within 10 working days after being approved by Council.</p> <p>Tabled draft 2014/2015 multi-year budget in both printed and electronic format to National and Provincial Treasury within 10 working days after being approved by Council.</p> <p>Undertake a 4 week community consultation process of the draft budget.</p> <p>Chief Financial Officer revise the draft budget from inputs received from the community, National and Provincial Treasury, if required.</p>



May	<p>IDP Budget Conference to consider the revisions and amendments to the IDP.</p> <p>Consultative Workshop with the entire Council on the final draft IDP.</p> <p>EXCO recommends adoption of the IDP to Council.</p> <p>Council sitting to approve IDP.</p>	<p>Quarterly SDBIP Report (for third quarter of 2013/2014) MPPR Reg. 14</p> <p>Quarterly Audit Committee meeting (for third quarter of 2013/2014), MFMA s 166 &amp; MPPR Reg. 14(3) (a).</p> <p>Annual review of organizational KPIs, MPPR Reg. 11.</p> <p>Review annual organizational performance targets, MPPR Reg. 11.</p> <p>Revised budget SDBIP tabled at Council for approval .</p>	<p>Submit revised 2014/2015 multi-year budget to Budget Steering Committee.</p> <p>Revised budget, incorporating inputs received from community, National and Provincial Treasury, tabled at Council for approval.</p>
June	<p>Municipal Manager prepares the IDP process plan and timetable for the 2015/2016 budget year .</p> <p>Council approval of the 2015/2016 IDP process and timetable.</p>	<p>Publish the approved SDBIP for the 2014/2015 budget year .</p> <p>Make public the tabled SDBIP and supporting documentation within 10 working days after being approved by Council .</p> <p>Approved 2014/2015 SDBIP in both printed and electronic format to National and Provincial Treasury within 10 working days after being approved by Council .</p> <p>Municipal Manager submits draft performance agreements to Mayor no later than 14 days after approval of budget, s69 of the MFMA and s57 of the MSA.</p> <p>Council approval of the 2015/2016 performance process and timetable.</p>	<p>Chief Financial Officer prepares the budget process plan and timetable for the 2015/2016 multi-year budget.</p> <p>Publish the approved budget and tariffs for the 2014/2015 budget year</p> <p>Make public the tabled budget and supporting documentation within 10 working days after being approved by Council.</p> <p>Approved 2014/2015 multi-year budget in both printed and electronic format to National and Provincial Treasury within 10 working days after being approved by Council.</p> <p>Council approval of the 2015/2016 multi-year budget process and timetable.</p>

#### 5.4 Consultation process

The draft 2014/2015 Budget and MTREF was tabled before Council on 7 March 2014 for community consultation. It was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

The proposed consultation meetings with the community were scheduled as follows:

Day/Date	Time	Venue	Ward
Wednesday, 27 March 2014	17:30	Gingindlovu Community Hall	18
Sunday, 30 March 2014	14:00	Sunnydale Community Hall	11
Sunday, 06 April 2014	11:00	Kwa-Khoza Tribal Court	15
Saturday, 12 April 2014	11:00	Obanjeni Community Hall	20

#### 5.5 Schedule of key deadlines

Hereunder is the schedule of key deadlines that was approved by Council on 4 September 2013,

MONTH	DELIVERABLE AND PROCESS MANAGEMENT	RESPONSIBLE BODY	EFFECTIVE DATE
July 2013	<ul style="list-style-type: none"> <li>Discussion with Directors and Managers on the 2014/2015 budget process.</li> <li>Submit draft 2014/2015 Process Plan to COGTA for assessment and approval by MEC.</li> <li>Establishing of forums and committees (internal) and external) for consultation on budget and IDP process.</li> </ul>	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> <li>Municipal Manager</li> <li>Municipal Manager/ Directors</li> </ul>	<ul style="list-style-type: none"> <li>08 July 2013</li> <li>09 July 2013</li> <li>During July 2013</li> </ul>
August 2013	<ul style="list-style-type: none"> <li>Submit 2012/2013 Draft Financial Statements and Organizational Performance Management System (OPMS) to Auditor- General.</li> </ul>	<ul style="list-style-type: none"> <li>Chief Financial Officer/ Municipal Manager</li> </ul>	<ul style="list-style-type: none"> <li>30 August 2013</li> </ul>
September 2013	<ul style="list-style-type: none"> <li>Issuing of 5 year Capital Programme to Mayor and Directors for amendments</li> <li>Workshop with Senior Management in order to review the prioritization model to be used to compile the capital budget.</li> <li>Council approval of the 2014/2015 IDP Process Plan</li> </ul>	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> <li>Chief Financial Officer</li> <li>Municipal Manager</li> </ul>	<ul style="list-style-type: none"> <li>02 September 2013</li> <li>02 September 2013</li> <li>25 September 2013</li> </ul>

October 2013	<ul style="list-style-type: none"> <li>• Issuing of blank Operating Budget to Mayor and Senior Managers to be used as working documents.</li> <li>• Issuing of the 2014/2015 Multi-year guideline addressing various budget assumptions, internal budget processes, policies etc.</li> <li>• Public information meetings (divided into the established clusters), reviewing and strategizing the current Integrated Development Plan</li> <li>• Obtain allocations to municipalities from National and Provincial Governments in terms of the Draft Division of Revenue Bill.</li> <li>• Budget requests from Councilors/ward committees, fully supported within the IDP document, be submitted to the Municipal Manager in order for the relevant Director to determine the financial and operational impacts of such requests.</li> </ul>	<ul style="list-style-type: none"> <li>• Chief Financial Officer</li> <li>• Chief Financial Officer</li> <li>• Municipal Manager</li> <li>• Chief Financial Officer</li> <li>• Municipal Manager/ Councilors/Relevant Directors</li> </ul>	<ul style="list-style-type: none"> <li>• 07 October 2013</li> <li>• 07 October 2013</li> <li>• During October</li> <li>• 31 October 2013</li> <li>• 31 October 2013</li> </ul>
November 2013	<ul style="list-style-type: none"> <li>• Discussions with Directors/ Managers on the Draft Capital projects for the 2014/2015 Multi –year budget.</li> <li>• Information sharing meeting/session with all sector departments and neighboring local municipalities to ensure that synergy occurs on all levels between the various local IDP documents and to align with the IDP review document of the District Municipality to achieve more support on the regional scale.</li> <li>• Submission of the public participation report to the Mayor</li> <li>• Submission of the Draft 5 year Capital Programme according to the Council's strategic objectives as set out in the Integrated Development Plan.</li> <li>• Submission of the Draft Operating estimates for the 2014/2015 Multi-year budget, analyzed according to activities aligned to the Council's strategic objectives, as set out in the Integrated Development Plan</li> <li>• Submission of business plans for Equitable Share grant allocations spending for the 2014/2015 budget year</li> </ul>	<ul style="list-style-type: none"> <li>• Chief Financial Officer</li> <li>• Municipal Manager</li> <li>• Municipal Manager</li> <li>• Directors</li> <li>• Directors</li> <li>• Directors</li> </ul>	<ul style="list-style-type: none"> <li>• 04 November 2013</li> <li>• 14 November 2013</li> <li>• 15 November 2013</li> <li>• 29 November 2013</li> <li>• 29 November 2013</li> <li>• 29 November 2013</li> </ul>

December 2013	<ul style="list-style-type: none"> <li>Perform a mid-year financial review on the current year's (2013/2014) budget and revised estimates to submit an Adjustments budget to Council if considered necessary</li> <li>Alignment of the Draft Capital estimates to the IDP</li> </ul>	<ul style="list-style-type: none"> <li>Directors</li> <li>Directors</li> </ul>	<ul style="list-style-type: none"> <li>13 December 2013</li> <li>13 December 2013</li> </ul>
January 2014	<ul style="list-style-type: none"> <li>Discuss with Directors on the Draft Operating estimates for the 2014/2015 Multi year budget</li> <li>Alignment of the Draft Operating estimates to IDP</li> <li>Submit 2012/2013 Annual Report to Council</li> <li>Submit adjustments budget, mid-year budget and performance assessment report to Council.</li> <li>Submission of cashflow for 2014/2015 capital expenditure and draft SDBIP for the 2014/2015 budget year.</li> </ul>	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> <li>Directors</li> <li>Municipal Manager</li> <li>Municipal Manager/ Chief Financial Officer</li> <li>Directors</li> </ul>	<ul style="list-style-type: none"> <li>13 January 2014</li> <li>13 January 2014</li> <li>21 January 2014</li> <li>21 January 2014</li> <li>31 January 2014</li> </ul>
February 2014	<ul style="list-style-type: none"> <li>Submit to National and Provincial Treasury in both printed and electronic form the adjustments budget, mid-year budget and performance assessment within 10 working days of Council meeting.</li> <li>Make public the adjustments budget, mid-year budget and performance assessment report by placing it on the municipal website.</li> <li>Discussions with Directors on the Draft Capital and Operating estimates for the 2014/2015 Multi-year budget.</li> <li>Discussions with Directors on the Draft Service Delivery and Budget Implementation Plan for the 2014/2015 budget year.</li> </ul>	<ul style="list-style-type: none"> <li>Municipal Manager</li> <li>Municipal Manager</li> <li>Chief Financial Officer</li> <li>Chief Financial Officer</li> </ul>	<ul style="list-style-type: none"> <li>04 February 2014</li> <li>04 February 2014</li> <li>17 February 2014</li> <li>18-21 February 2014</li> </ul>

March 2014	<ul style="list-style-type: none"> <li>Discussions with Budget Steering Committee on the Draft Capital and Operating estimates for the 2014/2015 Multi-year budget.</li> <li>Submit Draft 2014/2015 Multi-year budget, Draft IDP and Draft Service Delivery and Budget Implementation Plan to Council.</li> </ul>	<ul style="list-style-type: none"> <li>Municipal Manager/ Chief Financial Officer</li> <li>Chief Financial Officer</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>11 March 2014</li> <li>25 March 2014</li> </ul>
April 2014	<ul style="list-style-type: none"> <li>Make public the tabled draft budget and supporting documentation within 10 working days after being approved by Council.</li> <li>Tabled Draft 2014/2015 Multi-year budget, Draft IDP and Draft Service Delivery And Budget Implementation Plan in both printed and electronic format to National and Provincial Treasury within 10 working days after being approved by Council .</li> <li>Undertake a 4 week community consultation process of the budget</li> <li>Discussions with Budget Steering Committee on the revised 2014/2015 Multi-year budget.</li> <li>Revision of the budget and IDP from inputs received from the community, Government departments and National Treasury, if required.</li> </ul>	<ul style="list-style-type: none"> <li>Municipal Manager</li> <li>Municipal Manager</li> <li>Mayor/ Municipal Manager And Directors</li> <li>Municipal Manager/ Chief Financial Officer</li> <li>Chief Financial Officer</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>08 April 2014</li> <li>08 April 2014</li> <li>During April 2014</li> <li>30 April 2014</li> <li>30 April 2014</li> </ul>
May 2014	<ul style="list-style-type: none"> <li>Informal discussions with Exco on the 2014/2015 Multi-year budget.</li> <li>Revised budget, IDP and Service Delivery And Budget Implementation Plan, incorporating community inputs, tabled at Council for approval.</li> </ul>	<ul style="list-style-type: none"> <li>Municipal Manager/ Chief Financial Officer</li> <li>Mayor</li> </ul>	<ul style="list-style-type: none"> <li>07 May 2014</li> <li>27 May 2014</li> </ul>

June 2014	<ul style="list-style-type: none"> <li>• Preparation of the IDP and budget process plan and timetable for the 2015/2016 multi-year budget.</li> <li>• Publish approved budget and tariffs for the 2014/2015 budget year.</li> <li>• Make public the approved budget and supporting documentation within 10 working days after being approved by Council, by placing it on the municipal website.</li> <li>• Approved 2014/2015 Multi-year budget, IDP and Service Delivery and Budget Implementation Plan both printed and electronic format to National and Provincial Treasury within 10 working days after being approved by Council.</li> <li>• Council approval of the 2015/2016 IDP and Multi-year budget process and timetable</li> </ul>	<ul style="list-style-type: none"> <li>• Chief Financial Officer and Municipal Manager</li> <li>• Corporate Services</li> <li>• Municipal Manager</li> <li>• Municipal Manager</li> <li>• Chief Financial Officer</li> </ul>	<ul style="list-style-type: none"> <li>• 02 June 2014</li> <li>• 05 June 2014</li> <li>• 12 June 2014</li> <li>• 12 June 2014</li> <li>• 24 June 2014</li> </ul>
-----------	--	--	--

6. Overview of alignment of annual budget with Integrated Development Plan

6.1 Hereunder follows the strategic plan to be included in the draft IDP

KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT								
GOAL	STRATEGY REF.	STRATEGY	OBJ REF.	OBJECTIVES	MEASURE (SMART)	TARGET DATE	BUDGET	ACCOUNTABILITY
1.1 Institutional development & Municipal Transformation	1.1.1	To implement the approved organisational structure	1.1.1.1	Fill all funded vacant posts in the organogram	% of vacant posts filled	2015/16	R18 000 000	Municipal Manager Human Resources
			1.1.1.2	Complete outstanding job descriptions for newly established posts in terms of task	% of outstanding job descriptions	2015/16		
			1.1.1.3	Identify critical posts : <ul style="list-style-type: none"> <li>• Supply Chain</li> <li>• PMU</li> <li>• Contract Management</li> <li>• Planning</li> <li>• Human Resources</li> <li>• Internal Audit</li> <li>• Legal</li> <li>• Creditor Control</li> </ul>	No of critical posts identified and adopted by LLF	2014/15		Human Resources
	1.1.2	To attract and retain scarce skilled staff	1.1.2.1	Identify scarce skills posts	No of scarce skills posts identified and adopted by LLF	2014/15		Municipal Manager / Human Resources
			1.1.2.2	Develop a succession plan	Plan developed and adopted by Exco	2015/16		Human Resources / ALL
			1.1.2.3	Implement Internship programme	Appointment of interns in terms of policy	2014/15	R240 000	Human Resources
			1.1.2.4	Implement learnership programme	Reports to Portfolio on implementation of learnership programme			Human Resources / ALL
			1.1.2.5	Support in-service training	Report to LLF on number of in-service training opportunities provided per annum	2014/15		Human Resources
	1.1.3	To improve Contract Management	1.1.3.1	Conduct needs assessment for use of Service Providers	Needs assessment conducted and reported to Exco	2014/15		Engineers (C &E)
			1.1.3.2	Develop policy on the management of Service Providers	Policy Developed and adopted	2014/15		Corporate

	1.1.4	To provide adequate training and development to staff & councillors	1.1.4.1	Undertake training for staff as per skills development plan.	No of trainings provided and % budget expended	2014/15		Human Resources
			1.1.4.2	Undertake training for Councillors as per skills development plan	No of trainings provided and % budget expended	2014/15		Human Resources
	1.1.5	To improve ICT Systems within the organisation	1.1.5.1	Carry out Audit on current computer and software requirements, including data management	Audit complete and aligned to budget	2014/15	R48 620	Finance
			1.1.5.2	Identify and address critical shortcomings in terms of technology and operating systems and standardize	Report on technology and alignment of requirements to budget	2014/15	R75 050	Finance / Corporate
			1.1.5.3	Employment of IT Officer to improve capacity and functionary areas of IT	Appointment of IT Officer	2015/16	R326 170	Finance
KPA 2: SERVICE DELIVERY								
GOAL	STRATEGY REF.	STRATEGY	OBJ REF.	OBJECTIVES	MEASURE (SMART)	TARGET DATE	BUDGET	ACCOUNTABILITY
2.1 To address Backlogs in Service Delivery	2.1.1	To facilitate the provision of potable water and sanitation	2.1.1.1	Facilitate with uThungulu to ensure alignment of water and sanitation provisioning to all Municipal Capital and other large scale Projects	No of projects aligned to WSDP and reports to Portfolio	2014/15		Engineers (C)
	2.1.2	To facilitate and implement Electricity provision in all areas	2.1.2.1	Facilitate the upgrading of Eskom Power Supply to improve capacity to Eshowe	No of upgrades complete	2014/15	R5 537 000	Engineering (E)
			2.1.2.2	Improve electricity capacity for King Dinuzulu	Capacity % increase	2014/15	R220 000	Engineering (E)
			2.1.2.3	Investigate and implement green energy programmes in relation to energy saving projects such as solar water geysers	No of energy saving programmes implemented and reports to portfolio	2014/15	R48 420	Engineering (E)
			2.1.2.4	Conduct meetings with Eskom to ensure alignment of energy provisioning to Municipal Capital Projects	No of meetings held	2014/15	R21 350	Engineering (E)



			2.1.2.5	Facilitate the provision of Free Electricity Services	% free basic services provided	2014/15	R1 342 650	Finance
			2.2.2.6	Audit and Replacement of existing conventional meters	No of meters replaced	2014/15		Engineering (E)
	2.1.3	To ensure the roll-out of waste management services in rural areas, and the provision of recycling facilities at appropriate locations	2.1.3.1	Expand 'Food for Waste' and "War against Poverty" programmes into all wards	No of Wards where programme is functional	2014/15	R1 200 000	Engineers (C)
			2.1.3.2	Conduct feasibility study for recycling facilities and buy back centres in order to create jobs	Complete study	2014/15	R29 920	Engineers (C)
			2.1.3.3	Investigate waste transfer station services in rural areas	Complete and report on investigation	2014/15	R29 920	Engineers (C)
			2.1.3.4	Ensure Service Provider is conducting training and awareness programmes on waste recycling facilities	Include as condition in contract – No of reports	2014/15		
	2.1.4	To ensure the provision and maintenance of municipal roads, sidewalks and causeways	2.1.4.1	Implementation of Pavement Management System for municipal roads, sidewalks and Stormwater	No of reports	2014/15	R3 464 560	Engineers (C)
			2.1.4.2	Implement rural roads programme with the hired graders	% of budget spent	2014/15	R4 612 800	Engineers (C)
			2.1.4.3	Participate in development and implementation of Integrated Transportation Plan (District)	No of reports	2014/15	R18 600	Engineers (C)
			2.1.4.4	Prepare Municipal Integrated Transportation Plan	Prepare and adopt plan	2014/15	R9 040	Engineers (C)
			2.1.4.5	Implement Road Asset Management System	No of reports	2014/15	R9 680	Engineers (C)
	2.1.5	To provide commuter and trading shelters in urban areas and rural nodal points	2.1.5.1	Formalise the trading areas at Bus and Taxi Ranks in King DinuZulu and Gingindlovu	No of registered traders	2014/15	R550 000	MM
			2.1.5.2	Formalise land within Mtunzini for informal trading purposes	Identification of land	2014/15	R9 915	MM
			2.1.5.3	Provision of offices at King DinuZulu and Ging Bus and Taxi Rank	Office provision	2014/15	R216 580	MM
			2.1.5.4	Implement Strategy to address immediate informal trading challenges in urban areas (UNPACK with MENZI LED	Strategy implemented – No of reports	2014/15		

				OFFICER)				
			2.1.5.5	Identify nodal trading points within uMlalazi linked to the SDF	No of trading points identified	2014/15	R9 915	MM
2.2 To ensure that organisational facilities are provided and maintained, in order to ensure that the Municipality's development mandate can be met	2.2.1	Quality control of infrastructure projects in rural area	2.2.1.1	Strengthen PMU with technical officers (site inspections) to ensure quality and M & E	Appointment of technical offices	2014/15	R65 140	Engineers (C)
	2.2.2	To ensure that the Eshowe Testing Station is operated effectively and efficiently	2.2.2.1	Provide office equipment	% of budget expended	2014/15	R500 000	Protection
			2.2.2.2	Provide new Testing Station in Eshowe	% of budget expended, no of reports to portfolio	2014/15	R700 000	Protection
	2.3 To assist with natural disasters	2.3.1	To provide Fire Services for uMlalazi Municipal area	2.3.1.1	Acquire fire services vehicle for rural fire fighting services	% of budget expended	2014/15	Protection
				2.3.1.2	Facilitate functioning of rural satellite fire stations (Mbongolwane and KwaBulawayo)	Provide budget and report bimonthly to portfolio	2014/15	Protection
		2.3.2	Investigate the possible impact of Climate Change on the Municipal Area	2.3.2.1	Investigate adaption measures to deal with the impact of Climate Change	No of reports	2014/15	Community
				2.3.2.2	Investigate the possibility of expansion of existing the existing civic centre at Hutchinson Street	No of reports	2014/15	Engineers (C)

**KPA 3: LOCAL ECONOMIC & SOCIAL DEVELOPMENT**

GOAL	STRATEGY REF.	STRATEGY	OBJ REF.	OBJECTIVES	MEASURE (SMART)	TARGET DATE	BUDGET	ACCOUNTABILITY
3.1 To facilitate economic growth and development, in order to create decent employment and to fight the war against poverty	3.1.1	To attract investment into the municipal area	3.1.1.1	Prepare a marketing strategy to attract tourism and investment	Adopt Marketing Strategy	2014/15	(part of new appointments budget)	LED
	3.1.2	To contribute towards the development of the Tourism Sector	3.1.2.1	Implement LED Plan initiatives across municipal area	No of reports	2014/15	R216 580	LED
	3.1.3	To contribute towards the development of the mining sector	3.1.3.1	Facilitate in collaboration with the Department of Minerals and Energy and the Department of Environmental Affairs	No of meetings	2014/15		LED
	3.1.4	To promote skills development that is aligned with local economic growth	3.1.4.1	Identify skills required to support Local Economic growth and advise educational institutions to align training needs through the youth Advisory Business Centre	No of reports	2014/15	R200 000	LED
	3.1.5	To contribute towards the development of the Agricultural Sector	3.1.5.1	Establish partnership with the Dept of Agriculture and other stakeholders to prepare an agricultural plan	Preparation of plan	2014/15	R9 915	LED
			3.1.5.2	Support Agricultural Programmes such as Masibambisane for agricultural development	No of reports	2014/15	R11 350	LED
	3.1.6	To promote industrial development	3.1.6.1	Prepare Industrial Development Plan for Gingindlovu and Eshowe in collaboration with different stakeholders	Preparation of plan	2014/15	R100 000	Planning
	3.1.7	To promote the involvement and skills development of Women, Youth and the Disabled in	3.1.7.1	Develop database of women, youth and disabled community members requiring LED assistance	Database development	2014/15	R11 350	LED

		LED projects and activities	3.1.7.2	Facilitate skills development, with assistance from Dept Economic Development and Tourism, of people on database	No of reports			
	3.1.8	To promote Small Medium and Micro Enterprises ("SMME") Development	3.1.8.1	Facilitate Training and Capacity Building to SMMEs on Municipal Database	No of trainings conducted	2014/15	R600 000	LED
3.2 To ensure that social development is catered for	3.2.1	To encourage a healthy population	3.2.1.1	Revive local Aids Council	No of meetings	2014/15	R422 800	Community
			3.2.1.2	Fund Aids prevention projects through the Aids Council	% of budget expended	2014/15		
			3.2.1.3	Strengthen communication with the Department of Social Development - embrace SukumaSakhe	No of reports	2014/15	R32 920	Community
	3.2.2	To plan and support the acceleration of sustainable human settlements	3.2.2.1	Review Housing Sector Plan	Plan reviewed	2014/15	R25 620	Corporate
			3.2.2.2	Align implementation of Housing with bulk service provision	No of Alignment meetings	2014/15	R12 810	Corporate
	3.2.3	To facilitate the development of the youth and early childhood development, with particular focus on Education & Training	3.2.3.1	Identify, through the Youth Desk, indigent youth candidates for scarce skills training relevant and provide financial support	No of trainings provided and budget expended	2014/15	R260 000	Community
			3.2.3.2	Facilitate provision of Early Childhood Development Facilities with Department Social Development	No of reports	2014/15	R16 460	Community
			3.2.3.3	Provision of education infrastructure to support childhood development	% of budget expended	2014/15	R200 000	Engineers
	3.2.4	To facilitate the social development of the disabled and the Senior Citizens	3.2.4.1	Participate in Disability Forum	No of reports	2014/15	R16 460	Community
			3.2.4.2	Establish Senior Citizens Forum	No of reports	2014/15		Community
	3.2.5	To facilitate adequate provisioning and management of community facilities at appropriate locations	3.2.5.1	Implement the Caretakership Programme for all community facilities, as part of EPWP / CWP for job creation	% of budget expended	2014/15	R200 000	Community / Engineers
			3.2.5.2	Transfer all rural community facilities to the Municipality.	No of transfers complete	2014/15		Community

3.2.6	To facilitate the implementation of the Operation SukumaSakhe Programme (flagship programme)	3.2.6.1	Facilitate the roll-out of the SukumaSakhe programme to all wards, through the identification of "special" projects.	No of reports	2014/15	R32 920	Community
3.2.7	To provide for the Cemetery Needs in the Municipal Area	3.2.7.1	Facilitate with UDM the development of a Regional Cemetery	No of reports	2014/15	R16 460	Community
		3.2.7.2	Identify 2 potential sites for cemeteries in Eshowe	No of reports	2014/15		Planner
		3.2.7.3	Prepare cemetery plan	Plan developed and adopted	2014/15		Community
		3.2.7.4	Conduct Geotechnical and geohydrological studies for the identified sites	No of reports	2014/15		Planner
3.2.8	To Contribute towards the reduction of unemployment	3.2.8.1	To create innovative projects through <ul style="list-style-type: none"> <li>o SMME's</li> <li>o Alien Weed eradication programme,</li> <li>o Expanded Public Works Programme (EPWP) and</li> <li>o War Against Poverty programmes</li> </ul>	No of projects	2014/15		ALL
		3.2.8.2	Ensure labour-intensive construction ("LIC") as per EPWP requirements	No of jobs	2014/15		Engineers (C)
3.2.9	To contribute towards the development of sporting codes	3.2.9.1	To prepare a sports development plan in conjunction with the Department of Sports and Recreation	Plan developed and adopted	2014/15		Planner
3.2.10	To contribute towards the prevention of crime	3.2.10.1	To prepare a combines crime prevention strategy in partnership with all relevant stakeholders	Strategy developed and adopted	2014/15		Protection
		3.2.10.2	Co-Ordinate community policing forums	No of Forum Meetings	2014/15		Protection

**KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

GOAL	STRATEGY REF.	STRATEGY	OBJ REF.	OBJECTIVES	MEASURE (SMART)	TARGET DATE	BUDGET	ACCOUNTABILITY
4.1 Good Governance	4.1.1	To reduce Risk to the Organisation	4.1.1.1	Review Enterprise Plan	Review date	2014/15	R93 590	All
			4.1.1.2	Review Fraud Risk Plan	Review date	2014/15		Corporate
			4.1.2.1	Review Communication Plan, including IGR	Review date	2014/15	R20 815	Corporate
	4.1.2	To improve inter-departmental and external (including IGR) communication	4.1.2.2	Investigate the feasibility of (1) merging the telephone switchboard and the emergency control room; and (2) the establishment of a Call Centre.	No of reports	2014/15	R20 815	Corporate Protection /
			4.1.2.3	Investigate feasibility of establishing a Document Management System – e-governance	No of reports	2014/15	R20 815	Corporate
			4.1.2.4	Investigate cost effective communication systems and technology	No of reports	2014/15	R25 620	Corporate
	4.1.3	To ensure a corruption-free organisation	4.1.3.1	Ensure effective and efficient functioning of Audit Committee	No of meetings	2014/15	R22 910	Municipal Manager
			4.1.3.2	Ensure effective and efficient functioning of Municipal Public Accounts Committee (MPAC)	No of meetings	2014/15	R22 910	Municipal Manager
			4.1.3.3	Ensure distribution and understanding of Whistle Blowing Policy Review Fraud Prevention Policy	Internal training	2014/15	R22 910	Municipal Manager
4.2 Public Participation	4.2.1	Ensure that public participation structures are established, capacitated and functional	4.2.1.1	Communicate IDP process plan to Stakeholders and Ward Committees	No of meetings	2014/15	R21 350	Municipal Manager
			4.2.1.2	Roll out IDP and Budget public participation through road shows	No of roadshows	2014/15	R200 000	Municipal Manager
			4.2.1.3	Facilitate functionality of all Ward Committees (include training and development)	No of functional Ward Committees	2014/15	R2 000 000	Municipal Manager
	4.2.2	To ensure Customer Satisfaction	4.2.2.1	Record customer dissatisfaction in registers at municipal offices	No of reports	2014/15	R93 590	Corporate

		Timeous alignment of planning processes with government initiatives and programmes	4.2.2.2	Improve planning by commencing Strategic planning processes and budget in alignment with government programmes annually in February each year	Strat plan meeting	2014/15		Finance
4.4 International Relation/s	4.3.1	To ensure the continuation of the twinning agreement with Geel Municipality (Belgium) and Songdal Municipality (Norway)	4.3.1.1	Support knowledge-sharing, best-practices, skills transfer & training in the following areas:	No of reports	2014/15	R22 910	Municipal Manager
				<input type="checkbox"/> Finance & Planning				
				<input type="checkbox"/> Fire Fighting				
				<input type="checkbox"/> Education				
				<input type="checkbox"/> LED				
				<input type="checkbox"/> Cultural Heritage				
			4.3.1.2	Support twinning with Songdal Municipality (Norway)	No of reports	2014/15	R200 000	Municipal Manager

#### KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

GOAL	STRATEGY REF.	STRATEGY	OBJ REF.	OBJECTIVES	MEASURE (SMART)	TARGET DATE	BUDGET	ACCOUNTABILITY
5.1 Ensure the Municipal Revenue Streams are optimised	5.1.1	Ensure effective and efficient credit control and cash collection	5.1.1.1	Improve credit control and debt collection system – particularly for Gingindlovu and Mtunzini, by providing a dedicated official for this function.	Review function of cashier at satellite offices	2014/15	R115 000	Finance
			5.1.1.2	Improve credit control in Eshowe by a the appointment of a dedicated credit controller	Debtor Controller appointed	2014/15	R92 000	Finance
	5.1.2	Reduction of revenue loss	5.1.2.1	Audit of consumption metres to assess electrical losses due to tampering	Complete audit	2014/15	R100 000	Engineers (E)
	5.1.3	Ensure effective and efficient cash collection from waste transfer stations	5.1.3.1	Improved record holding of tonnage of waste collected through transfer station	No of reports	2014/15	R35 400	Engineers
	5.1.4	Correct allocation of service charges for residential properties vs business	5.1.41	Investigate illegal business activity on residential properties and implement bylaws	No of reports	2014/15	R65 140	Engineers, Town Planner
	5.1.5	Review contracts that enhance revenue collection	5.1.5.1	Implement Traffic Management Technologies (TMT) contract to ensure sustainable and cost effectiveness	No of reports	2014/15	R193 520	Protection

	5.1.6	Investigate new Revenue sources within the legal framework	5.1.6.1	Conduct study in respect of installation of parking meters	Complete study	2014/15	R80 880	Protection
			5.1.6.2	Council land encroachments to be investigated by building inspectors	No of reports	2014/15	R6 510	Engineers
			5.1.6.3	Review of advertising and business licences functionality within Council structure	No of reports	2014/15	R25 620	Corporate
			5.1.6.4	Identify and implement additional revenue saving mechanisms	No of reports	2014/15		All
5.2 Supply chain management	5.2.1	To strengthen the Supply Chain Unit and Processes	5.2.1.1	Capacitate SCM Unit as per approved organogram	No of appointments	2014/15		Finance
			5.2.1.2	Provide training and skills development to officials involved in procurement processes	No of trainings completed	2014/15	R12 280	Finance
	5.2.2	Expend capital budget with the financial year	5.2.2.1	Review SDBIP and implement	Date of adoption, no of reports	2014/15		All

#### KPA 6: SPATIAL & ENVIRONMENTAL

GOAL	STRATEGY REF.	STRATEGY	OBJ REF.	OBJECTIVES	MEASURE (SMART)	TARGET DATE	BUDGET	ACCOUNTABILITY
6.1 Protected and sustainable Natural Resources within the Municipal Area	6.1.1	To promote the sustainability and protection of the municipality's natural resources	6.1.1.1	Prepare Land Use Management Scheme for Rural Areas	Adoption of scheme	2014/15		Corporate
			6.1.1.2	Review Environmental Management Plan	Reviewed plan	2014/15		Community
			6.1.1.3	Participate in the management of the coast via the Coastal Management Working Group	No of reports	2014/15		Community
	6.1.2	To capacitate the planning component	6.1.2.1	Training to the town planner	No of training provided	2014/15		Corporate
			6.1.2.2	Allocation of additional resources to the Planning and Development Department	No of reports	2014/15		Finance
	6.1.3	To promote integrated development planning	6.1.3.1	Review uMlalazi IDP for 2015/2016	Date of adoption	2014/15		Municipal Manager
	6.1.4	To utilize scarce land effectively and efficiently	6.1.4.1	Update cadastral information	No of reports	2014/15		Town Planner



			6.1.4.2	Review uMlalazi Town Planning Scheme for urban areas	Adoption of reviewed scheme	2014/15		Town Planner
			6.1.4.3	Prepare a Register of Municipal-owned properties	Register prepared and adopted	2014/15		Town Planner
	6.1.5	Facilitate future growth of urban areas (urbanisation)	6.1.5.1	Identify land for worship purposes	No of erven identified for worship	2014/15		Town Planner
			6.1.5.2	Prepare Nodal Framework Plans for Eshowe, Gingindlovu and Mtunzini and rural nodes	Nodal Framework plan developed	2014/15		Town Planner
			6.1.5.3	Facilitate the development projects in Mtunzini & Eshowe through the PDA	No of reports	2014/15		Town Planner
			6.1.5.4	Roll out of Community Based Plan	No of reports	2015/16		Town Planner

## 6.2 Breakdown of Operating Expenditure and Capital Expenditure aligned to the IDP

### 6.2.1 Operating Expenditure

DETAILS	2014/2015 (R)	2015/2016 (R)	2016/2017 (R)
Care taking: rural buildings	200 000	400 000	400 000
Youth development	400 000	500 000	500 000
Early childhood development	300 000	350 000	400 000
Local economic development (LED)	1 990 560	2 315 780	2 415 150
Poverty alleviation	2 345 940	2 370 920	2 422 730
Rural fire prevention	300 000	350 000	400 000
Sport development	512 000	600 000	700 000
Local Aids Council	350 000	500 000	500 000
Work creation projects	903 070	1 319 110	1 400 000
Rural grounds maintenance	200 000	500 000	500 000
Rural roads and causeways	8 379 250	8 850 000	9 350 000
Increase in Eskom supply	4 971 770	0	0

### 6.2.2 Capital Expenditure

Hereunder follows a breakdown of the capital expenditure aligned to the goals and action plans of the IDP:

MIG Allocations for 2014/2015 Financial Year

	Ward	2014/2015	2015/2016	2016/2017
<b><u>HALLS AND OFFICES</u></b>				
Sqwanjana hall	13		1 700 000	
Emandawe hall	10			1 500 000
Bongela hall	1			550 000
Mcongweni hall	13			1 026 000
<b><u>TESTING GROUNDS</u></b>				
New testing station	11	3 252 400	9 136 330	13 850 050
<b><u>SPORTS FIELDS</u></b>				
Kwayabu sports field	15	1 400 000		
Kwabulawayo sports field	24		3 875 100	11 885 430
Emfenyane sports field	14			1 438 020
<b><u>CRECHES</u></b>				
Ngodini creche	26			1 000 000
<b><u>ROADS AND CAUSEWAYS</u></b>				
Kangella street	11	7 349 480	8 892 270	4 366 190
Nogobhoza road	15	230 000		
Ntenjane causeway	14			
Naickerville intersection	18	4 050 340		
Esifubeni road	10	2 321 950		
KDS/Sunnydale link road	12	4 113 880		
Osborn road rehabilitation	11	4 654 980		
Gcisa road	17	3 022 970		
Mfofolozi causeway	1	1 500 000		
Ndlongolwane road	4	1 500 000	2 314 730	
Ngwandla road	19			
Mtipela road	3		3 000 000	
Makhehle causeway	24	1 100 000		
Bele Road	24		8 125 570	
Hlungwini causeway	5			789 310
Gingindlovu stormwater	18			2 000 000
<b><u>OTHER</u></b>				
Rehabilitation of landfill site	11	500 000		
Retention monies		1 300 000	1 200 000	1 500 000
<b>Sub total</b>		<b>36 296 000</b>	<b>38 244 000</b>	<b>39 905 000</b>
<b><u>PMU ADMIN COSTS</u></b>		1 200 000	1 200 000	1 200 000
<b><u>TOTAL</u></b>		<b>37 496 000</b>	<b>39 444 000</b>	<b>41 105 000</b>

## 7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

7.1 Hereunder follows the key financial indicators dealing with borrowing management, safety of capital, revenue and creditor management

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b><u>Borrowing Management</u></b>											
Credit Rating	Interest & Principal Paid /Operating Expenditure	0.6%	0.7%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%
Capital Charges to Operating Expenditure											
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.0%	1.2%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	2.2%	2.0%	1.9%	2.6%	2.0%	2.0%	2.0%	2.2%	2.8%	3.5%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	1.4	1.7	2.1	2.3	1.8	1.8	1.8	1.3	1.2	1.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.4	1.7	2.1	2.3	1.8	1.8	1.8	1.3	1.2	1.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	1.1	1.4	1.0	1.1	1.1	1.1	0.8	0.8	0.8
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		92.3%	90.6%	123.0%	89.6%	89.5%	89.5%	89.5%	89.4%	89.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		92.9%	90.6%	123.0%	89.6%	89.5%	89.5%	89.5%	89.5%	89.4%	89.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17.3%	14.1%	14.8%	12.3%	12.6%	12.6%	12.6%	11.1%	8.7%	8.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		34.2%	31.1%	39.4%	11.3%	43.2%	43.2%	43.2%	43.5%	44.1%	50.5%
<b><u>Other Indicators</u></b>											
	Total Volume Losses (kW)	11.61%	15.54%	12.63%	10.00%	10.00%	10.00%	10.00%	9.00%	8.00%	7.00%
	Total Cost of Losses (Rand '000)	3 877	8 575	7 055	6 158	6 158	6 158	6 158	6 135	6 036	5 842
	% Volume (units purchased and generated less units sold)/units purchased and generated	5 787	8 662	6 985	5 978	5 978	5 978	5 978	5 843	5 641	5 360
	Total Volume Losses (kV)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.1%	31.5%	28.2%	31.1%	28.0%	28.0%	28.0%	30.6%	36.4%	37.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	39.1%	40.2%	0.0%	38.3%	37.2%	37.2%		0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.3%	6.1%	5.2%	5.4%	7.0%	7.0%		6.8%	6.5%	6.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4.9%	5.0%	4.6%	4.5%	4.3%	4.3%	4.3%	4.1%	3.8%	3.8%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	48.7	33.5	70.5	37.7	37.7	37.7	36.6	37.5	38.5	40.8
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	29.2%	26.3%	30.1%	24.7%	26.7%	26.7%	26.7%	24.2%	20.1%	19.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.4	3.4	4.9	4.7	3.3	3.3	3.3	2.7	2.6	2.3

7.2 Hereunder follows the Financial indicators for Revenue by source and Expenditure by type

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>																
<b>Revenue By Source</b>																
Property rates		2 871	2 871	2 871	2 871	2 871	2 871	2 871	2 871	2 871	2 871	2 871	2 871	34 456	36 377	38 004
Property rates - penalties & collection charges		48	48	48	48	48	48	48	48	48	48	48	48	581	613	646
Service charges - electricity revenue		4 587	4 587	4 587	4 587	4 587	4 587	4 587	4 587	4 587	4 587	4 587	4 587	55 050	58 649	62 958
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		840	840	840	840	840	840	840	840	840	840	840	840	10 077	10 621	11 165
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		114	114	114	114	114	114	114	114	114	114	114	114	1 373	1 447	1 359
Interest earned - external investments		217	217	217	217	217	217	217	217	217	217	217	217	2 600	2 700	2 800
Interest earned - outstanding debtors		13	13	13	13	13	13	13	13	13	13	13	13	150	160	170
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		260	260	260	260	260	260	260	260	260	260	260	260	3 124	3 293	3 471
Licences and permits		304	304	304	304	304	304	304	304	304	304	304	304	3 645	3 841	4 049
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		9 988	9 988	9 988	9 988	9 988	9 988	9 988	9 988	9 988	9 988	9 988	9 988	119 852	144 166	151 165
Other revenue		258	258	258	258	258	258	258	258	258	258	258	258	3 097	3 231	3 371
Gains on disposal of PPE		8	8	8	8	8	8	8	8	8	8	8	8	100	120	130
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>234 106</b>	<b>265 219</b>	<b>279 287</b>
<b>Expenditure By Type</b>																
Employee related costs		5 964	5 964	5 964	5 964	5 964	5 964	5 964	5 964	5 964	5 964	5 964	5 964	71 574	96 593	103 407
Remuneration of councillors		1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408	16 895	18 064	19 315
Debt impairment		120	120	120	120	120	120	120	120	120	120	120	120	1 440	1 518	1 600
Depreciation & asset impairment		744	744	744	744	744	744	744	744	744	744	744	744	8 932	9 415	9 923
Finance charges		60	60	60	60	60	60	60	60	60	60	60	60	714	753	794
Bulk purchases		3 418	3 418	3 418	3 418	3 418	3 418	3 418	3 418	3 418	3 418	3 418	3 418	41 013	44 609	47 563
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	26 421	26 432	25 719
Transfers and grants		282	282	282	282	282	282	282	282	282	282	282	282	3 388	3 573	3 770
Other expenditure		5 307	5 307	5 307	5 307	5 307	5 307	5 307	5 307	5 307	5 307	5 307	5 307	63 680	64 219	67 166
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>234 056</b>	<b>265 175</b>	<b>279 255</b>
<b>Surplus/(Deficit)</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>49</b>	<b>44</b>	<b>32</b>
Transfers recognised - capital		5 620	4 990	6 458	8 984	6 654	3 253	1 720	2 125	3 175	1 975	800	784	46 538	56 807	54 559
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>5 624</b>	<b>4 994</b>	<b>6 462</b>	<b>8 988</b>	<b>6 658</b>	<b>3 257</b>	<b>1 724</b>	<b>2 129</b>	<b>3 179</b>	<b>1 979</b>	<b>804</b>	<b>788</b>	<b>46 587</b>	<b>56 851</b>	<b>54 591</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>5 624</b>	<b>4 994</b>	<b>6 462</b>	<b>8 988</b>	<b>6 658</b>	<b>3 257</b>	<b>1 724</b>	<b>2 129</b>	<b>3 179</b>	<b>1 979</b>	<b>804</b>	<b>788</b>	<b>46 587</b>	<b>56 851</b>	<b>54 591</b>

7.3 Hereunder follows the measurable performance objectives for revenue and operating expenditure by vote

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 1 - EXECUTIVE AND COUNCIL		9 769	9 769	9 769	9 769	9 769	9 769	9 769	9 769	9 769	9 769	9 769	9 769	117 224	144 827	152 861
Vote 2 - BUDGET AND TREASURY OFFICE		204	204	204	204	204	204	204	204	204	204	204	204	2 453	2 551	2 651
Vote 3 - CORPORATE SERVICES		143	143	143	143	143	143	143	143	143	143	143	143	1 711	1 938	802
Vote 4 - PLANNING AND DEVELOPMENT		318	318	318	318	318	318	318	318	318	318	318	318	3 814	1 666	1 691
Vote 5 - HEALTH		249	249	249	249	249	249	249	249	249	249	249	249	2 986	3 520	3 804
Vote 6 - COMMUNITY AND SOCIAL SERVICES		299	299	299	299	299	299	299	299	299	299	299	299	3 593	3 799	4 221
Vote 7 - HOUSING		12	12	12	12	12	12	12	12	12	12	12	12	143	150	158
Vote 8 - PUBLIC SAFETY		373	373	373	373	373	373	373	373	373	373	373	373	4 475	4 804	5 062
Vote 9 - SPORTS AND RECREATION		217	217	217	217	217	217	217	217	217	217	217	217	2 604	3 399	3 564
Vote 10 - WASTE MANAGEMENT		1 186	1 186	1 186	1 186	1 186	1 186	1 186	1 186	1 186	1 186	1 186	1 186	14 227	15 142	15 929
Vote 11 - ROAD TRANSPORT		1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	12 010	12 677	13 383
Vote 12 - ELECTRICITY		5 739	5 739	5 739	5 739	5 739	5 739	5 739	5 739	5 739	5 739	5 739	5 739	68 868	70 746	75 162
Vote 13 - AIR TRANSPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - WORKSHOP		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>19 509</b>	<b>234 106</b>	<b>265 219</b>	<b>279 287</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - EXECUTIVE AND COUNCIL		5 086	5 086	5 086	5 086	5 086	5 086	5 086	5 086	5 086	5 086	5 086	5 086	61 031	84 371	88 487
Vote 2 - BUDGET AND TREASURY OFFICE		1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	12 953	13 789	14 681
Vote 3 - CORPORATE SERVICES		788	788	788	788	788	788	788	788	788	788	788	788	9 460	10 009	9 593
Vote 4 - PLANNING AND DEVELOPMENT		462	462	462	462	462	462	462	462	462	462	462	462	5 544	3 521	3 681
Vote 5 - HEALTH		470	470	470	470	470	470	470	470	470	470	470	470	5 644	6 374	6 866
Vote 6 - COMMUNITY AND SOCIAL SERVICES		313	313	313	313	313	313	313	313	313	313	313	313	3 751	3 780	4 145
Vote 7 - HOUSING		13	13	13	13	13	13	13	13	13	13	13	13	156	165	174
Vote 8 - PUBLIC SAFETY		2 053	2 053	2 053	2 053	2 053	2 053	2 053	2 053	2 053	2 053	2 053	2 053	24 637	26 241	27 892
Vote 9 - SPORTS AND RECREATION		852	852	852	852	852	852	852	852	852	852	852	852	10 218	11 527	12 241
Vote 10 - WASTE MANAGEMENT		1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	16 794	17 820	18 910
Vote 11 - ROAD TRANSPORT		1 430	1 430	1 430	1 430	1 430	1 430	1 430	1 430	1 430	1 430	1 430	1 430	17 162	18 245	19 385
Vote 12 - ELECTRICITY		5 513	5 513	5 513	5 513	5 513	5 513	5 513	5 513	5 513	5 513	5 513	5 513	66 155	68 744	72 567
Vote 13 - AIR TRANSPORT		1	1	1	1	1	1	1	1	1	1	1	1	12	13	14
Vote 14 - WORKSHOP		45	45	45	45	45	45	45	45	45	45	45	45	539	577	618
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>19 505</b>	<b>234 056</b>	<b>265 175</b>	<b>279 255</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>49</b>	<b>44</b>	<b>32</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>49</b>	<b>44</b>	<b>32</b>

7.4 Hereunder follow the measurable performance objectives for capital by vote

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	<b>1</b>															
Vote 1 - EXECUTIVE AND COUNCIL					550		128						(450)	228	470	30
Vote 2 - BUDGET AND TREASURY OFFICE					211	435	220						69	934	256	178
Vote 3 - CORPORATE SERVICES		280	280	693	1 043	693	1 513	413	413	2 513	413		(1 700)	6 550	3 344	5 761
Vote 4 - PLANNING AND DEVELOPMENT													-	-	-	-
Vote 5 - HEALTH							15	40					-	55	10	65
Vote 6 - COMMUNITY AND SOCIAL SERVICES							10	100	100	200			-	410	470	1 060
Vote 7 - HOUSING													-	-	-	-
Vote 8 - PUBLIC SAFETY					200	40	450						-	690	490	3 355
Vote 9 - SPORTS AND RECREATION		280	280	640	1 390	480	200	357	357	457	357	357	467	5 620	8 215	14 923
Vote 10 - WASTE MANAGEMENT		550			250								100	900	1 770	400
Vote 11 - ROAD TRANSPORT		3 221	2 821	3 396	5 188	3 928	2 860	2 583	3 354	3 354	3 154	2 479	9 622	45 961	40 819	30 606
Vote 12 - ELECTRICITY				120	250	350	380						-	1 100	3 163	2 460
Vote 13 - AIR TRANSPORT													-	-	-	-
Vote 14 - WORKSHOP													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>2</b>	<b>4 331</b>	<b>3 381</b>	<b>4 849</b>	<b>9 081</b>	<b>5 925</b>	<b>5 775</b>	<b>3 492</b>	<b>4 223</b>	<b>6 523</b>	<b>3 923</b>	<b>2 836</b>	<b>8 107</b>	<b>62 448</b>	<b>59 007</b>	<b>58 839</b>
<b>Total Capital Expenditure</b>	<b>2</b>	<b>4 331</b>	<b>3 381</b>	<b>4 849</b>	<b>9 081</b>	<b>5 925</b>	<b>5 775</b>	<b>3 492</b>	<b>4 223</b>	<b>6 523</b>	<b>3 923</b>	<b>2 836</b>	<b>8 107</b>	<b>62 448</b>	<b>59 007</b>	<b>58 839</b>

8. OVERVIEW OF BUDGET – RELATED POLICIES

8.1 This section gives a broad overview of the budget policy framework and highlights the amended policies to be approved by Council Resolution.

NAME OF POLICY	LAST DATE OF APPROVAL	NEW ADOPTION DATE	STATUS
Bad Debt Write Off Policy	28/05/2013 Min. no UMC 65/12/13	27/05/2014	Review
Borrowing Policy	28/05/2013 Min. no UMC 65/12/13	27/05/2014	Review
Budget Policy	05/10/2012 Min. no UMC 12/12/13	27/05/2014	Review
Credit Control & Debt Collection Policy	28/05/2013 Min. no UMC 65/12/13	27/05/2014	Amend
Funding and Reserve Policy	28/05/2013 Min. no UMC 65/12/13	27/05/2014	Review
Indigent Support Policy	28/05/2013 Min. no UMC 65/12/13	27/05/2014	Review
Investment Policy	07/11/2005 (Exco Min No.157/05/06)	27/05/2014	Review
Property Rates Policy	28/05/2013 Min. no UMC 65/12/13	27/05/2014	Amend
Risk Management Policy	07/07/2008 (Exco Min No.18/5/09)	27/05/2014	Review
Supply Chain Management Policy	05/06/2013 (Exco Min No. 355/12/13)	27/05/2014	Amend
Tariff Policy	01/06/2007 (Exco Min No. 01/06/07)	27/05/2014	Review



The above mentioned policies can be reviewed on the Council's official website, and can also be obtained on request from the Council's offices.

**8.2 The following amendments of the policies are tabled for consideration:**

**8.2.1 Credit Control and Debt Collection Policy**

**SECTION C: CONSUMER DEBTORS (ELECTRICITY AND REFUSE)**

**New paragraph under "1 Credit Control Procedures & Mechanisms"**

**Paragraph 1.7 (new)**

**1.7 Interest on arrears**

In respect of any amount for electricity and refuse removal remaining unpaid after the final date for their payment there shall be added for each month during which the default continues a penalty/interest calculated at the rate of eighteen per cent per annum and for the purpose of this paragraph part of a month shall be deemed the full month.

**Paragraph 2.8 (new)**

**2.8** Legal fees incurred on any account as a result of that account being handed over will be levied against that customer's account.

**2.9** For all prepaid electricity customers who are in arrears with their municipal account, the Municipality will utilise debt collection mechanism available on the Municipality's prepaid vending system. These mechanisms will be utilised as follows

**2.9.1** For all debtors with arrear balances above R1000.00, a percentage collection mechanism of 70/30. This means that whenever a customer buys prepaid electricity 70% of the amount tendered will be allocated to arrears and 30% of the amount tendered will be allocated to prepaid electricity.

**2.9.2** For all debtors with balances below R 1000.00. any amount tendered for prepaid electricity will be allocated to arrears first and once the arrears have been liquidated, the customer will be given the prepaid token with the balance.

**8.2.2 Rates Policy**

**Under Definitions**

**Vacant Land (new)**

" Vacant Land" means land that has not been developed with any permanent structures

## CHAPTER 1 - ESTABLISHMENT AND IMPLEMENTATION OF RATES POLICY

### **New paragraph under "4 Adoption and contents of rates policy"**

5.7 The Municipality has determined the following categories of property

- a) Residential
- b) Agricultural
- c) Industrial
- d) Business & Commercial
- e) Multiple Use
- f) Public Service Infrastructure
- g) Vacant Land
- h) Mining
- i) Municipal

4.8 The Municipality has determined the following categories of owners of property

- a) Residential
- b) Public Benefit Organisations
- c) Land Reform Beneficiaries
- d) Municipal
- e) Public Service Infrastructure
- f) Nature Reserves / Conservation Areas

4.9 Categories of properties are determined according to the actual use of the property and the property shall be rated on such actual use. A change in use of property may result in the change of category of property.

## CHAPTER 2-LEVYING OF RATES

### **CLAUSE 9 (EXEMPTIONS AND REBATES FROM RATES)**

**The following clause currently reads as follows:**

9.3 The following categories of owners of residential properties shall additionally receive the following rebates on the rates due in respect of such properties after deducting the rebate applicable to residential properties:

9.3.2 \*Property owners who are both the permanent occupants and the sole owners of the property concerned and who belong to one of the following categories:

- (a) A ratepayer older than 65 years of age;
- (b) A bona fide pensioner under 65 years of age;
- (c ) A ratepayer under 65 years of age, but has been retired from employment by reason of illness or disability; and

d) whose total household income is as follows:

(i) a single person receiving a total income of R5 390,00 per month or less

100% of the rates based on the rateable value up to R75 000.00 and 40% of the rates based on the rateable value above R75 000.00.

(ii) a married couple receiving a joint monthly income of R6 720,00 per month or less.

(iii) a single person receiving a total income of R5 391.00 and more per month.

100% of the rates based on the rateable value up to R75 000.00 and 20% of the rates based on the rateable value above R75 000.00.

(iv) a married couple receiving a joint monthly income of R6 721 and more per month.

To be replaced by:

9.3 The following categories of owners of residential properties shall additionally receive the following rebates on the rates due in respect of such properties after deducting the rebate applicable to residential properties:

9.3.2 \*Property owners who are both the permanent occupants and the sole owners of the property concerned and who belong to one of the following categories:

(a) A ratepayer older than 60 years of age;

(b) A bona fide pensioner under 60 years of age;

(c ) A ratepayer under 60 years of age, but has been retired from employment by reason of illness or disability; and

d) whose total household income is as follows:

(i) a single person receiving a total income of R5 690,00 per month or less

100% of the rates based on the rateable value up to R75 000.00 and 40% of the rates based on the rateable value above R75 000.00.

(ii) a married couple receiving a joint monthly income of R7 100,00 per month or less.

100% of the rates based on the rateable value up to R75 000.00 and 20% of the rates based on the rateable value above R75 000.00.

(iii) a single person receiving a total income of R5 691.00 and more per month.

(i) a married couple receiving a joint monthly income of R7 100.00 and more per month.

## **CHAPTER 2-LEVYING OF RATES**

### **CLAUSE 9 (EXEMPTIONS AND REBATES FROM RATES)**

The following clause currently reads as follows:

Paragraph 9.8 (b)

- (b) Should an applicant wish to apply for a rebate of rates, he/she may apply before the 31 August in any year

**To be replaced by:**

- (b) Should an applicant wish to apply for a rebate of rates, he/she may apply before the 30 June in any year

**Paragraph 9.8 (e) be removed**

### 8.2.3 Supply Chain Management Policy

Currently Section (12) reads as follows:

- (1) The range of procurement processes is summarized as follows: -

<u>uMLALAZI MUNICIPALITY</u>		
ORDER VALUE (VAT INCLUSIVE)	REQUIRED PROCESS	DELEGATION SIGNATURE
R1000	<ul style="list-style-type: none"> <li>Petty Cash voucher.</li> </ul>	Relevant Director or Senior / Manager
Less than R1 000	<ul style="list-style-type: none"> <li><u>One written quote</u> from list of accredited suppliers on uMlalazi Municipality Data Base on a rotation basis.(If an official order is needed)</li> </ul>	Relevant Director or Senior / Manager
Between R1 001 and R2 000 (Written quotations)	<ul style="list-style-type: none"> <li>At least <u>one written quote</u> from the accredited suppliers list, on a rotation basis.</li> </ul>	Relevant Director or Senior / Manager
Between R2 001 and R3 000 (Written quotations)	<ul style="list-style-type: none"> <li>At least <u>two written quotes</u> from the accredited suppliers list, on a rotation basis.</li> <li>DETAILED SPECIFICATIONS FROM DEPARTMENT</li> </ul>	Relevant Director or Senior / Manager
Between R3 001 and R30 000 (Formal written quotations) (Green quotation forms)	<ul style="list-style-type: none"> <li>At least <u>three written quotations</u> from the accredited suppliers list, on a rotation basis.</li> <li>DETAILED SPECIFICATIONS ON E-MAIL OR FAX TO BE SENT TO SCM UNIT</li> <li>No tax requirements from suppliers</li> <li>No PPPF Requirements.</li> </ul>	Relevant Director or Senior / Manager (Green form) Chief Financial Officer Municipal Manager
Between R30 001 and R200 000 (Formal written quotations) (Green quotation forms) (Notice Boards)	<ul style="list-style-type: none"> <li>Quotations to be requested from SCM Practitioner.</li> <li>DETAILED SPECIFICATIONS ON E-MAIL OR FAX TO BE SENT TO SCM UNIT.(SITE MEETING DATES)</li> <li>Three written quotations from the accredited suppliers list, on a rotation basis.</li> <li><u>Tax clearance certificate</u> to be provided</li> <li><u>PPPF</u> procedure must be followed. <u>(80/20 PPP SYSTEM)</u></li> <li><u>BBBEE certificate</u> to be provided</li> <li>Must be <u>advertised</u> for at least <u>seven days</u> on notice board as well as the Web Page.</li> <li>If not on accredited suppliers list, compliance confirmation required.(<u>DATA BASE</u>)</li> <li><u>CIDB applicable to construction</u></li> </ul>	Relevant Director or Senior / Manager Financial Services Municipal Manager

	<b>contracts.</b>	
<b>Between R200 001 and R10 million</b> Any Contract o Agreement that has a period of more than 1year = Competitive Bid  <b>(Bid Documents)</b>	<ul style="list-style-type: none"> <li>Formal competitive bidding process.</li> <li>80/20 point system to be used if less than R1 000 000.00.</li> <li>90/10 point system to be used if more than R1 000 001.00 upwards.</li> <li><u>Tax clearance certificate</u> to be provided</li> <li><u>PPPF</u> procedure must be followed.</li> <li><u>BBBEE certificate</u> to be provided</li> <li><u>CIDB applicable to construction contracts.</u></li> <li>If not on accredited suppliers list, compliance confirmation required.(<u>DATA BASE</u>)</li> <li>Compliance with tender compulsory documentation</li> <li>Specifications to be submitted to SCM Practitioner to set <u>Specifications Committee.</u></li> <li><u>Bid Evaluation Committee</u> to evaluate tenders in terms of PPPF and price and recommend to Bid Adjudication Committee.</li> <li><u>Bid Adjudication Committee</u> to make final recommendation.</li> <li>Final Approval by Municipal Manager.</li> </ul>	Bidding route to be followed
<b>More than R10 million</b> (competitive bids)  <b>(Bid Documents)</b>	<ul style="list-style-type: none"> <li>Competitive Bidding Process</li> <li>Final Approval by Municipal Manager</li> </ul>	

Section (12) to be amended as follows

- (1) The range of procurement processes is summarized as follows: -

<b><u>uMLALAZI MUNICIPALITY</u></b>		
<b>ORDER VALUE (VAT INCLUSIVE)</b>	<b>REQUIRED PROCESS</b>	<b>DELEGATION SIGNATURE</b>
<b>Procurement of Accommodation</b>	<ul style="list-style-type: none"> <li>Procurement of accommodation to be dealt with in terms of Subsistence and Travel Policy of Council</li> </ul>	
<b>R1000</b>	<ul style="list-style-type: none"> <li>Petty Cash voucher</li> <li>Petty cash may not be utilized to procure protective clothing</li> </ul>	Municipal Manager/ Director or delegated Senior Manager. Each Director or Head of the Department must formally delegate senior manager (s) to sign petty cash vouchers and requisitions
<b>Up to R1 000</b>	<ul style="list-style-type: none"> <li>RFQ to be submitted to SCM Unit by end user Department in respect of purchases where an official order needs to be issued</li> </ul>	Municipal Manager/ Director or delegated Senior Manager. Each Director or Head of the Department must formally

	<ul style="list-style-type: none"> <li>• <u>One written quote</u> from list of accredited suppliers on uMlalazi Municipality Data Base on a rotation basis.(If an official order is needed)</li> </ul>	delegate senior manager (s) to sign requisitions
Between R1 001 and R2 000 (Written quotations)	<ul style="list-style-type: none"> <li>• RFQ to be submitted to SCM Unit by the end user Department</li> <li>• At least <u>one written quote</u> from the accredited suppliers list, on a rotation basis.</li> </ul>	Municipal Manager/ Director or delegated Senior Manager. Each Director or Head of the Department must formally delegate senior manager (s) to sign requisitions
Between R2 001 and R3 000 (Written quotations)	<ul style="list-style-type: none"> <li>• RFQ to be submitted to SCM Unit by the end user Department</li> <li>• At least <u>two written quotes</u> from the accredited suppliers list, on a rotation basis.</li> </ul>	Municipal Manager/ Director or delegated Senior Manager. Each Director or Head of the Department must formally delegate senior manager (s) to sign requisitions
Between R3 001 and R30 000 (Formal written quotations) ( quotation authorization form)	<ul style="list-style-type: none"> <li>• RFQ to be submitted to SCM Unit by the end user Department.</li> <li>• Engineering estimates (Priced BOQ) to be attached on the RFQ for construction works</li> <li>• At least <u>three written quotations</u> from the accredited suppliers list.</li> <li>• Supplier's tax matters on the Council's database to be in order. i.e. valid tax certificate to be on file.</li> <li>• Evaluation to be done by SCM Unit in consultation with end user department.</li> </ul>	(Quotation Authorization form) to be signed by signatories mentioned below: <ul style="list-style-type: none"> <li>• relevant Director or delegated Senior Manager</li> <li>• Chief Financial Officer</li> <li>• Municipal Manager</li> </ul>
Between R30 001 and R200 000 (Formal written quotations) ( quotation authorization form) (Notice Boards)	<ul style="list-style-type: none"> <li>• RFQ to be submitted to SCM Unit by the end user Department</li> <li>• Engineering estimates (Priced BOQ) to be attached on the RFQ for construction works</li> <li>• Three written quotations from the accredited suppliers list.</li> <li>• Supplier's tax matters on the Council's database to be in order. i.e. valid tax certificate to be on file.</li> <li>• <u>PPPF</u> procedure must be followed. <u>(80/20 PPP SYSTEM)</u></li> <li>• <u>BBBEE certificate</u> to be provided. i.e. Original or Certified certificate to be provided to claim goal points</li> <li>• Must be <u>advertised</u> for at least <u>seven days</u> on notice board as well as the Web Page.</li> <li>• If not on accredited suppliers list, compliance confirmation required.<u>(DATA BASE)</u></li> <li>• CIDB applicable to construction contracts.</li> <li>• Evaluation to be done by SCM Unit, end user Department may be invited to provide technical expertise.</li> </ul>	(Quotation Authorization form) to be signed by signatories mentioned below: <ul style="list-style-type: none"> <li>• relevant Director or delegated Senior Manager</li> <li>• Chief Financial Officer</li> <li>• Municipal Manager</li> </ul>

	<ul style="list-style-type: none"> <li>• Evaluation to be based on functionality</li> </ul>	
<p><b>Between R200 001 and less than R10 million</b> Any Contract o Agreement that has a period of more than 1year = Competitive Bid</p> <p><b>(Bid Documents)</b></p>	<ul style="list-style-type: none"> <li>• Draft tender document must be submitted to SCM Unit to convene a <b><u>Specifications Committee Meeting</u></b></li> <li>• Formal competitive bidding process.</li> <li>• 80/20 point system to be used if less than R1 000 000.00.</li> <li>• 90/10 point system to be used if more than R1 000 001.00 upwards.</li> <li>• <b><u>Tax clearance certificate</u></b> to be provided</li> <li>• <b><u>PPPFA</u></b> procedure must be followed.</li> <li>• <b><u>BBBEE certificate</u></b> to be provided,. i.e. original or certified copy of the certificate must be provided to claim goal points</li> <li>• <b><u>CIDB applicable to construction contracts.</u></b></li> <li>• If not on accredited suppliers list, compliance confirmation required.<b><u>(DATA BASE)</u></b></li> <li>• Tenders opened in public on date recorded in advert and register is kept by SCM Unit</li> <li>• Compliance with tender compulsory documentation evaluated by SCM Unit</li> <li>• Technical evaluation undertaken by Engineer or Consultant where applicable.</li> <li>• Proposed evaluation report submitted to end user department for confirmation</li> <li>• Final evaluation to be performed by Bid Evaluation Committee</li> <li>• <b><u>Bid Evaluation Committee</u></b> to evaluate tenders in terms of functionality criteria, thereafter in terms of PPPFA and price and recommend to Bid Adjudication Committee.</li> <li>• <b><u>Bid Adjudication Committee</u></b> to make final recommendation.</li> <li>• Final Award must be done by Municipal Manager.</li> </ul>	<p>Competitive Bidding process to be followed.</p> <p>Appointment letter to be signed by the Municipal Manager, Service Level agreement to be signed by the Municipal Manager if applicable.</p> <p>Appointment letter to be issued to the successful bidder 14 days prior to issuing of the official order.</p> <p>Official order to be issued 14 days from the date of the appointment letter.</p> <p>Requisition to be authorized as follows:</p> <ul style="list-style-type: none"> <li>• relevant Director or delegated Senior Manager</li> <li>• hief Financial Officer</li> <li>• unicipal Manager</li> </ul> <p>Appointment letter to be attached on the requisition</p>
<p><b>R10 million and above</b> (competitive bids)</p> <p><b>(Bid Documents)</b></p>	<ul style="list-style-type: none"> <li>• Competitive Bidding Process in terms of S22 (b)(i) of this policy</li> <li>• Tender processes are the same as for the tenders that are between R 200 000 and R 10 million</li> <li>• Final Award must be done by Municipal Manager</li> </ul>	<ul style="list-style-type: none"> <li>• Same as for the tenders that are between R 200 000 and R 10 million</li> </ul>

#### New section 12.1: contingencies

- If contingencies are to be utilized and where the prevailing General Conditions of Contract (GCC) are not applicable, then the Contractor must in writing notify the end user department stating nature of anomalies found on site and breakdown of the same as well as cost implications.
- The end user department must if satisfied with written notification from the contractor and if utilization of contingencies is in the best interest of the Council, submit a report and recommendations to the accounting officer detailing reasons and breakdown of anomalies found on site, and contingencies can only be utilized after the accounting officer has approved the recommendations from the end user department



### Variation Order

- a) Motivation reports detailing Variation orders over and above contingencies must be submitted through the Project Management Unit (PMU) where applicable and where relating to internal capital projects must be submitted through the Management Committee (MANCO) for consideration.
- b) Recommendations must be submitted from the relevant committee in a) above to the Municipal Manager for recommendation after confirmation of the budget by the Chief Financial Officer.
- c) Where the variation order exceeds 20% of the contract amount, the motivation and recommendation must be submitted to the Executive Committee.
- d) Official orders must be completed for all Variation Orders.

### **Currently Section (13) reads as follows:**

A written quotation or bid exceeding R30 000.00 may not be considered unless the provider who submitted the quotation or bid –

- (a) has furnished that provider's –
  - (i) Full name;
  - (ii) Identification number or company or other registration number; and
  - (iii) Tax reference number and / or VAT registration number, if any;
  - (iv) Declaration of Interest
  - (v) Declaration of Bidders Past Supply Chain Management Practices
  - (vi) Certificate of Independent Bid Determination

### **Section 13 (a)(iii) to be amended to read as follows:**

- (iii) Tax and VAT matters are in order as per Council's database

### **Currently Section 18 (a) reads as follows:**

The Accounting Officer must determine the operational procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations, which must stipulate –

- (a) that all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the municipality or municipal entity;

### **Section 18 (a) to be amended as follows:**

- (a) that all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the municipality or municipal entity; in cases where the 7 day period is not complied with; written approval to deviate from this timeframe must be obtained from the Accounting Officer.

Currently Section 27 (3) (i) to (vi) reads as follows:

3. The Bid Specification Committee will be composed as follows and can include an external specialist advisor: -
- (ii) Senior Manager Engineering Services (Elec)
  - (ii) Senior Manager Protection Services
  - (iii) Senior Manager Engineering Services (Civil)
  - (iv) Manager Financial Services (Income)
  - (v) Employee of the Supply Chain Management Unit as an Observer
  - (vi) Representative of End User as an Observer

The quorum for the Bid Specification Committee will be 50% + 1.

***Remove Section 27 (3) (i) to (vi) in its entirety.***

**Section 27 (3) (i) to (v) to be amended to read as follows:**

3. The Bid Specification Committee will be composed as follows and can include an external specialist advisor: -
- |       |   |          |
|-------|---|----------|
| (i)   | Senior Manager Engineering Services (Elec): | Chairman |
| (ii)  | Manager Financial Services (Revenue)        | Member   |
| (iii) | Senior Manager Community Services           | Member   |
| (iv)  | Senior Manager Protection Services          | Member   |
| (v)   | SCM Practitioner                            | Member   |

The quorum for the Bid Specification Committee will at least be 3 members which is the majority

***Remove Section 27 (3) (i) to (v) in its entirety***

Currently section 28 (1) a reads as follows;

28. Bid evaluation committees

(1) The bid evaluation committee must –

(a) Evaluate bids in accordance with –

- (i) The specifications for a specific procurement; and
- (i) The system set out in terms of paragraph 27(2)(f).
- (ii) Functionality where applicable it being noted that in line with circular 29 of National Treasury, tenders will not be disqualified based on price.

Currently section 28 (4) (i) to (v) reads as follows;

4. The Bid Evaluation Committee will be composed as follows and can include an external specialist advisor: -
- (ii) Director Engineering Services
  - (iii) Deputy Chief Financial Officer
  - (iii) Manager Financial Services (Expenditure)
  - (iv) Senior Manager Community Services
  - (v) Employee of the Supply Chain Management Unit as an Observer

**Section 28 (4) (i) to (v) to be amended to read as follows:**

4. The Bid Evaluation Committee will be composed as follows and can include an external specialist advisor: -

(i)	Director Corporate Services	Chairman
(ii)	Manager Financial Services (Expenditure)	Member
(iii)	Senior Manager Engineering (Civil)	Member
(iv)	Senior Manager Compliance	Member
(v)	Director Protection Services	Member

The quorum for the Bid Specification Committee will at least be 3 members which is the majority.

***Remove section 28 (4) (i) to (v) in its entirety***

**Currently section 29 (2) (i) to (v) reads as follows:**

2. The Bid Adjudication Committee will be composed as follows and can include an external specialist advisor: -

(i)	Chief Financial Officer
(ii)	Director Corporate Services
(iii)	Director Community Services
(iv)	Director Protection Services
(iv)	Supply Chain Practitioner

**Section 29 (2) (i) to (vi) to be amended to read as follows:**

2. The Bid Adjudication Committee will be composed as follows and can include an external specialist advisor: -

(i)	Chief Financial Officer	Chairman
(ii)	Deputy Chief Financial Officer	Member
(iii)	SCM Practitioner	Member
(iv)	Director Engineering Services	Member
(v)	Director Community Services	Member

The quorum for the Bid Specification Committee will at least be 3 members which is the majority

***Remove section 29 (2) (i) to (v) in its entirety***

## 9. OVERVIEW OF BUDGET ASSUMPTIONS

9.1 In January 2010, Cabinet adopted 12 outcomes within which to frame public service delivery priorities and targets. Cabinet ministers have signed performance agreements linked to these outcomes. More detailed delivery agreements have since been developed to extend targets and responsibilities to national and provincial departments, agencies and municipalities.

The municipality is expected to take the 12 outcomes into consideration when reviewing the IDP and developing the annual Budget for the 2014/2015 MTREF. Hereunder follows the 12 outcomes, together with examples of areas where the municipality have a role to play in either contributing directly to the realization of the outcomes or facilitating the work of national and provincial departments in realizing them.

### *12 Outcomes of Government-role of Local Government*

No	Description	Role of Local Government
1	Improve the quality of basic education	<ul style="list-style-type: none"> <li>Facilitate the building of new schools by:               <ul style="list-style-type: none"> <li>- Participating in needs assessments</li> <li>- Identifying appropriate land</li> <li>- Facilitating zoning and planning processes</li> </ul> </li> <li>Facilitate the eradication of municipal service backlogs in schools by extending appropriate bulk infrastructure and installing connections</li> </ul>
2	Improve health and life expectancy	<ul style="list-style-type: none"> <li>Many municipalities perform health functions on behalf of provinces</li> <li>Strengthen effectiveness of health services by specifically enhancing TB treatments and expanding HIV and AIDS prevention and treatments.</li> <li>Municipalities must continue to improve Community Health Service infrastructure by providing clean water, sanitation and waste removal services.</li> </ul>
3	All people in South Africa protected and feel safe	<ul style="list-style-type: none"> <li>Facilitate the development of safer communities through better planning and enforcement of municipal by laws.</li> <li>Direct the traffic control function towards policing high risk violations-rather than revenue collection</li> <li>Metro police services should contribute by:               <ul style="list-style-type: none"> <li>- Increasing police personnel</li> <li>- Improving collaboration with SAPS</li> <li>- Ensuring rapid response to reported crimes</li> </ul> </li> </ul>
4	Decent employment through inclusive economic growth	<ul style="list-style-type: none"> <li>Create an enabling environment for investment by streamlining planning application processes.</li> <li>Ensure proper maintenance and rehabilitation of essential services infrastructure.</li> <li>Ensure proper implementation of the EPWP at municipal level</li> <li>Design service delivery processes to be labour intensive</li> <li>Improve procurement systems to eliminate corruption and ensure value for money</li> <li>Utilize community structures to provide services</li> </ul>
5	A skilled and capable workforce to support inclusive growth	<ul style="list-style-type: none"> <li>Develop and extend intern and work experience programmes in municipalities.</li> <li>Link municipal procurement to skills development initiatives</li> </ul>

6	An efficient, competitive and responsive economic infrastructure network	<ul style="list-style-type: none"> <li>• Ring-fence water, electricity and sanitation functions so as to facilitate cost-reflecting pricing of these services</li> <li>• Ensure urban spatial plans provide for commuter rail corridors, as well as other modes of public transport</li> <li>• Maintain and expand water purification works and waste water treatment works in line with growing demand</li> <li>• Cities to prepare to receive the devolved public transport function</li> <li>• Improve maintenance of municipal road networks.</li> </ul>
7	Vibrant, equitable and sustainable rural communities and food security	<ul style="list-style-type: none"> <li>• Facilitate the development of local markets for agricultural produce</li> <li>• Improve transport links with urban centres so as to ensure better economic integration</li> <li>• Promote home production to enhance food security</li> <li>• Ensure effective spending of grants for funding extension of access to basic services.</li> </ul>
8	Sustainable human settlements and improved quality of household life	<ul style="list-style-type: none"> <li>• Cities must prepare to be accredited for the housing function.</li> <li>• Develop spatial plans to ensure new housing developments are in line with national policy on integrated human settlements</li> <li>• Participate in the identification of suitable land for social housing.</li> <li>• Ensure capital budgets are appropriately prioritized to maintain existing services and extend services.</li> </ul>
9	A response and, accountable, effective and efficient local government system	<ul style="list-style-type: none"> <li>• Adopt IDP planning processes appropriate to the capacity and sophistication of the municipality</li> <li>• Implement the community work programme</li> <li>• Ensure ward committees are representative and fully involved in community consultation processes around the IDP, budget and other strategic service delivery issues.</li> <li>• Improve municipal financial and administrative capacity by implementing competency norms and standards and acting against incompetence and corruption.</li> </ul>
10	Protection and enhancement of environmental assets and natural resources	<ul style="list-style-type: none"> <li>• Develop and implement water management plans to reduce water losses.</li> <li>• Ensure effective maintenance and rehabilitation of infrastructure</li> <li>• Run water and electricity saving awareness campaigns</li> <li>• Ensure proper management of municipal commonage and urban open spaces</li> <li>• Ensure development does not take place on wetlands.</li> </ul>

11	A better South Africa, a better and safer Africa and world	<ul style="list-style-type: none"> <li>• Role of Local Government is fairly limited in this area. Must concentrate on:</li> <li>- Ensuring basic infrastructure is in place and properly maintained.</li> <li>- Creating an enabling environment for investment.</li> </ul>
12	A development-orientated public service and inclusive citizenship	<ul style="list-style-type: none"> <li>• Continue to develop performance monitoring and management systems.</li> <li>• Comply with legal financial reporting requirements</li> <li>• Review municipal expenditures to eliminate wastage</li> <li>• Ensure councils behave in ways to restore community trust in Local Government.</li> </ul>

9.2 The following budget assumptions have a major influence on the annual budget:

- It will take some time for the economic upturn to flow through to increased municipal revenues and better cash flows.
- The revenue stream of the Council will stay under pressure for the next three to four quarters in 2013.
- The increased high cost to move waste from the refuse transfer stations, to the regional refuse site.
- The excessive increases in the tariffs of bulk electricity purchases in the next three budget years, are putting pressure on the Council's draft operating expenditure budget.
- The increases in property rates and other tariffs are likely to be counter productive, resulting in higher levels of non payment and increased bad debts.

## 10. OVERVIEW OF BUDGET FUNDING

### 10.1 Medium term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Description	2014/2015 Medium Term Revenue & Expenditure Framework					
	Budget Year 2014/2015	%	Budget Year 2015/2016	%	Budget Year 2016/2017	%
Property rates	35 036 830	15	36 989 970	14	38 649 510	14
Service charges	65 126 820	28	69 270 680	27	74 122 950	27
Investment revenue	2 600 000	2	2 700 000	1	2 800 000	1
Transfers recognised-operational	119 852 490	52	144 166 300	55	151 165 000	54
Other own revenue	11 489 380	3	12 091 880	3	12 549 710	4
<b>Total Operating Revenue (excluding capital transfers and contributions)</b>	<b>234 105 520</b>	<b>100</b>	<b>265 218 830</b>	<b>100</b>	<b>279 287 170</b>	<b>100</b>
<b>Total Operating Expenditure</b>	<b>234 056 420</b>		<b>265 174 820</b>		<b>279 255 370</b>	
<b>Surplus/(Deficit)</b>	<b>49 100</b>		<b>44 010</b>		<b>31 800</b>	

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as electricity, and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc)

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 95 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirement;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004)(MPRA), and
- The ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2014/2015 MTREF on the different revenue categories are:

Revenue category	2014/2015 proposed tariff increase	2015/2016 proposed tariff increase	2016/2017 proposed tariff increase	2014/2015 additional revenue for each 1% tariff increase	2014/2015 additional revenue owing to % tariff increase	2014/2015 Total Budgeted revenue
Property Rates	5.6%	5.4%	5.4%	350 368	2 539 160	35 036 830
Solid Waste	5.6%	5.4%	5.4%	100 772	928 500	10 077 220
Electricity	7.39%	7.39%	7.39%	550 496	3 206 850	55 049 600
<b>Total</b>				<b>1 001 636</b>	<b>6 674 510</b>	<b>100 163 650</b>

Revenue to be generated from property rates is **R35 036 830** in the 2014/2015 financial year and increase to **R38 649 510** by 2016/2017 which represents **14** per cent of the operating revenue base of the municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The Municipality is still in a process of further data verification and validation relating to the valuation roll. In addition there are still outstanding objections, although significant progress was made in dealing with these objections in the 2013/2014 financial year. It is anticipated that the process will be concluded by the end of 2014.

Service charges relating to electricity, and refuse removal constitutes the second biggest component of the revenue basket of the municipality totaling **R65 126 820** for the 2014/2015 financial year and increasing to **R74 122 950** by 2016/2017. For the 2014/2015 financial year service charges amount to **28** per cent of the total revenue base and decreases by **1** per cent per annum over the medium-term.

Operational grants and subsidies amount to **R119 852 490**, **R144 166 300** and **R151 165 000** for each of the respective financial years of the MTREF, or **52**, **55** and **54** per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are the biggest component of the revenue basket.

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of **R2 600 000**, **R2 700 000** and **R2 800 000** for the respective three financial years of the 2014/2015 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of **R49 100**, **R44 010** and **R31 800** in each of the financial years.

## 10.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2014/2015 medium-term capital programme:

Vote Description	2014/2015 Medium Term Revenue and Expenditure Framework							
	Budget Year 2013/2014	%	Budget Year 2014/2015	%	Budget Year +1 2015/2016	%	Budget Year +2 2016/2017	%
<b>Funded By:</b>								
National Government	44 997 300	83	46 538 210	74	56 807 190	96	54 559 000	92
Provincial Government								
Transfers recognized –capital	44 997 300	83	46 538 210	74	56 807 190	96	54 559 000	92
Public contributions & donations.								
Borrowing internally generated funds	9 247 000	17	15 910 000	26	2 200 000	4	4 280 000	8
<b>Total Capital Funding</b>	<b>54 244 300</b>	<b>100</b>	<b>62 448 210</b>	<b>100</b>	<b>59 007 190</b>	<b>100</b>	<b>58 839 000</b>	<b>100</b>

Capital grants and receipts equates to **74%** of the total funding source, which represents **R46 538** million for the 2014/2015 financial year.



The following table is a breakdown of the capital transfers and grants:

Description  R thousand	2010/11	2011/12	2012/13	2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Capital Transfers and Grants</b>							
<b>National Government:</b>	22 488	38 577	32 602	44 997	46 538	56 807	54 559
Municipal Infrastructure Grant (MIG)		29 028	24 986	36 531	36 296	38 244	39 905
Municipal Systems Improvement Grant (MSIG)					100		
Sports & Recreation					2 250		
Equitable Share	5 578	9 549	7 616	8 466	7 892	18 563	14 654
<b>Provincial Government:</b>			1 068				
Other capital transfers/grants [insert description] Establishment of pound			1 068				
<b>District Municipality:</b>							
<i>Uthungulu District Municipality</i>							
<b>Other grant providers:</b>	922	660					
<i>Department Of Sports and Recreation</i>							
<i>Project Consolidate</i>							
<i>Library Services</i>							
<i>Department Of Minerals &amp; Energy</i>	922	660					
<i>Department of Economic Development</i>							
<i>Development Bank of South Africa</i>							
<b>Total Capital Transfers and Grants</b>	23 410	39 237	33 670	44 997	46 538	56 807	54 559

### 10.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash flow based on actual performance. In other words the actual collection rate of billed revenue, and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

**Budgeted cash flow statement**

(R) Thousands	Audited 2010/2011	Audited 2011/2012	Audited 2012/2013	Forecast 2013/2014	Budget 2014/2015	Budget 2015/2016	Budget 2016/2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<u>Receipts</u>							
Ratepayers and other	89 715	82 747	121 806	94 095	99 786	105 737	111 879
Government - operating	57 516	69 774	90 698	106 889	119 852	144 166	151 165
Government - capital	21 843	22 269	35 093	31 973	46 538	56 807	54 559
Interest	1074	1 667	2 491	2 500	2 600	2 700	2 800
<u>Payments</u>							
Suppliers and employees	(149 621)	(147 354)	(188 978)	(214 452)	(230 514)	(260 050)	(277 532)
Finance charges	(643)	(770)	(709)	(676)	(714)	(753)	(794)
Transfers and grants	(399)	(2 572)	(2 812)	(2 989)	(3 388)	(3 573)	(3 770)
<b>NET CASH FROM (USED) OPERATING ACTIVITIES</b>	<b>19 485</b>	<b>25 761</b>	<b>57 589</b>	<b>17 340</b>	<b>34 160</b>	<b>45 034</b>	<b>38 307</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<u>Receipts</u>							
Proceeds on disposal of PPE	730	2 512	439	200	100	120	130
Decrease (increase) in non-current debtors	(499)	(2)	5	(21)	(5)	(3)	2
Decrease (increase) other non-current debtors							
Decrease (increase) in non-current investments							
<u>Payments</u>							
Capital assets	(21 543)	(24 658)	(34 806)	(32 547)	(37 469)	(41 305)	(41 187)
<b>NET CASH FROM (USED) INVESTING ACTIVITIES</b>	<b>(21 312)</b>	<b>(22 148)</b>	<b>(34 362)</b>	<b>(32 368)</b>	<b>(37 374)</b>	<b>(41 188)</b>	<b>(41 055)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<u>Receipts</u>							
Borrowing long term/refinancing	2 575						
Increase (decrease) in consumer deposits	203	120	56	334	190	174	52
<u>Payments</u>							
Repayment of borrowing	(329)	(343)	(343)	(343)	(343)	(343)	(343)
<b>NET CASH FROM (USED) INVESTING ACTIVITIES</b>	<b>2 449</b>	<b>(223)</b>	<b>(287 )</b>	<b>(9)</b>	<b>(153)</b>	<b>(169)</b>	<b>(291)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>622</b>	<b>3 390</b>	<b>22 940</b>	<b>(15 037 )</b>	<b>(3 367)</b>	<b>3 677</b>	<b>(3 039)</b>
Cash/cash equivalents at the year begin	33 536	34 158	37 548	60 488	45 451	42 084	45 761
Cash/cash equivalents at the year end	<b>34 158</b>	<b>37 548</b>	<b>60 488</b>	<b>45 451</b>	<b>42 084</b>	<b>45 761</b>	<b>42 722</b>

The above table shows that cash and cash equivalents of the municipality increases between the 2010/2011 and 2013/2014 financial year, moving from a cash balance of **R34 158 000** to a balance of **R45 451 000** with the 2013/2014 forecast.

Various cost efficiencies and savings had to be realized during this period to ensure the municipality could meet its operational expenditure commitments. For the 2014/2015 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term.

#### 10.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (application > cash and investments) is indicative of non compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyze trends to understand the consequences, eg. The budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

##### Cash backed reserves /accumulated surplus reconciliation

(R) Thousands	Audited 2010/2011	Audited 2011/2012	Audited 2012/2013	Forecast 2013/2014	Budget 2014/2015	Budget 2015/2016	Budget 2016/2017
<b><u>Cash and investments available</u></b>							
Cash/cash equivalents at the year end	34 158	37 548	60 488	45 451	42 084	45 761	42 722
Other current investments >90 days	(13 001)	-	-	-	-	-	-
Non-current assets - investments	1	1	1	1	1	1	1
<b>Total cash and investments available</b>	<b>21 158</b>	<b>37 549</b>	<b>60 489</b>	<b>45 452</b>	<b>42 085</b>	<b>45 762</b>	<b>42 723</b>
<b><u>Application of cash and investments</u></b>							
Unspent conditional grants	16 032	5 927	13 826	15 209	25 278	27 946	24 953
Unspent borrowing	5 828	5 828	5 142	4 799	4 456	4 113	3 770
Statutory requirements (VAT)	1 547	513	880	1 100	1 000	750	700
Other working capital requirements	(13 248)	(9 341)	(11 243)	(4 539 )	(4 940)	(479)	631
Other provisions	820	841	842	870	860	891	910
Reserves to be backed by cash/investments	13 519	12 133	10 532	25 662	13 791	11 474	10 000
<b>Total commitments:</b>	<b>24 498</b>	<b>15 558</b>	<b>19 979</b>	<b>43 101</b>	<b>40 445</b>	<b>44 695</b>	<b>40 964</b>
<b>Surplus/(Shortfall)</b>	<b>(3 340)</b>	<b>21 991</b>	<b>40 510</b>	<b>2 351</b>	<b>1 640</b>	<b>1 067</b>	<b>1 760</b>

From the above table it can be seen that the cash and investments available total in the 2014/2015 financial year is **R42 085 000** and progressively increase to **R42 723 000** by 2016/2017, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2013/2014 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants. For the 2014/2015 financial year provision has been made for this liability.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year-end obligations. The liability in this regard totaled for the 2014/2015 financial year.
- Against other provisions an amount **R860 000** has been provided for the 2014/2015 financial year and this increases to **R910 000** by 2016/2017. This liability is informed by, amongst others, the commuting of staff leave.
- A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

It can be concluded that the municipality's level of non cash-backing progressively improved over the period 2010/2011 to 2013/2014. The 2014/2015 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. However, from a practical perspective it would not be possible to eradicate this deficit in one financial year hence the phased approach over the MTREF. Nevertheless from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

## 10.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are obtained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

### Funding measurement

Description	2010/2011	2011/2012	2012/2013	2013/2014	2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Forecast	Budget Year 2014/15	Budget Year 2015/16	Budget Year 2016/17
<b>Funding measures</b>							
Cash/cash equivalents at the year end - R'000	34 158	37 548	60 488	45 451	42 084	45 761	42 722
Cash + investments at the yr end less applications - R'000	(3 340)	21 991	40 510	2 351	1 640	1 067	1 759
Cash year end/monthly employee/supplier payments	3.4	3.4	4.9	3.3	2.7	2.6	2.5
Surplus/(Deficit) excluding depreciation offsets: R'000	18 762	26 949	36 456	32 024	46 587	56 851	54 591
Service charge rev % change - macro CPIX target exclusive	-	(10.8%)	2.5%	(6.0%)	0.0%	0.1%	0.1%
Cash receipts % of Ratepayer & Other revenue	92.9%	90.6%	123.0%	89.5%	89.5%	89.4%	89.4%
Debt impairment expense as a % of total billable revenue	1.4%	2.2%	1.5%	1.4%	1.4%	1.4%	1.4%
Capital payments % of capital expenditure	92.0%	96.9%	103.4%	60.0%	60.0%	70.0%	70.0%
Borrowing receipts % of capital expenditure (excl. transfers)	-	-	-	-	-	-	-
Grants % of Govt. legislated/gazetted allocations	-	-	-	-	-	-	-
Current consumer debtors % change - incr(decr)	-	(14.2%)	24.4%	-	(3.9%)	(11.9%)	1.5%
Long term receivables % change - incr(decr)	-	(1.9%)	(0.4%)	-	0.3%	0.2%	(0.1%)
R&M % of Property Plant & Equipment	1.2%	2.2%	2.1%	3.1%	3.0%	3.2%	3.3%
Asset renewal % of capital budget	5.8%	7.5%	21.5%	30.1%	42.4%	41.1%	31.1%

### 10.5.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirement.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet the MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2014/2015 MTREF shows R42 084 000 , R45 761 000 and R42 722 000 for each respective financial year.

### 10.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in section 10.4 The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

### 10.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been improving for the period 2010/2011 to 2012/2013, moving from 3.4 to 4.9 with the adopted 2013/2014 MTREF. As part of the 2014/2015 MTREF the municipality's cash position causes the ratio to move downwards to 2.5 for the outer years. The municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually towards two months coverage. This measure will have to be carefully monitored going forward.

### 10.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are sufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2014/2015 MTREF the indicative outcome is a surplus of R45 017 000 , R 54 426 000 and R59 919 000.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

### 10.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target.

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3-6 per cent). The result is intended to be approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 1.4 , 3.6 and 0.8 per cent for the respective financial years of the 2014/2015 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 5.6 per cent, with the increase in electricity at 7.39 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

### 10.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyze the underlying assumed collection rate for the MTREF to determine the relevance and creditability of the budget assumptions contained in the budget. It can be seen that the outcome is at 89.5 , 89.4 and 89.4 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 95 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

### 10.5.7 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 70 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

#### **10.5.8 Transfers/grants revenue as a percentage of Government transfers/grants available**

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

#### **10.5.9 Consumer debtors change (Current and non-current)**

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. These are 2 measures shown for this factor; the change in current debtors and the change in long term receivable, both from the Budgeted Financial Position. Both measure show a relatively stable trend in line with the Municipality's policy of settling debtors accounts within 30 days.

#### **10.5.10 Repairs and maintenance expenditure level**

This measure must be considered important within the context of the funding measures criteria because that a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

#### **10.5.11 Asset renewal/rehabilitation expenditure level**

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

#### **10.6 Particulars of rates, refuse, electricity tariffs and other charges:**

When the rates, electricity and refuse tariffs and other charges were revised, the following were taken into account:

- The wage agreements with unions.
- Other input costs of services provided by the Council
- The need to ensure financial sustainability
- Local economic conditions
- The affordability of services, taking into consideration the Council's indigent policy
- Relevant policy developments in the different sectors.

10.6.1 The tariffs for consideration are attached as **Annexure 1, pages 116 - 127**

10.7 EFFECT OF TARIFF INCREASES ON CUSTOMERS ACCOUNTS												
2014/2015												
SMALL RESIDENTIAL MTUNZINI												
ERF 31 MTZ	2013/2014 FINANCIAL YEAR				ERF 31 MTZ	2014/2015 FINANCIAL YEAR					2015/2016	2016/2017
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE		
Rates	679 100	589.00		589.00	Rates	679 100	621.98		621.98	5.60%	655.57	690.97
Refuse		111.91	15.67	127.58	Refuse		118.18	16.55	134.73	5.60%	124.56	131.29
				716.57					756.71	5.60%	780.13	822.26
MEDIUM RESIDENTIAL MTUNZINI												
ERF 274 MTZ	2013/2014 FINANCIAL YEAR				ERF 274 MTZ	2014/2015 FINANCIAL YEAR					2014/2015	2014/2015
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE		
Rates	961 600	864.44		864.44	Rates	961 600	912.84		912.84	5.60%	962.14	1 014.09
Refuse		111.91	15.67	127.58	Refuse		118.18	16.55	134.73	5.60%	124.56	131.29
				992.01					1 047.57	5.60%	1 086.70	1 145.38
LARGE RESIDENTIAL MTUNZINI												
ERF 273 MTZ	2013/2014 FINANCIAL YEAR				ERF 273 MTZ	2014/2015 FINANCIAL YEAR					2014/2015	2014/2015
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE		
Rates	2 691 100	2 550.70		2 550.70	Rates	2 691 100	2 693.54		2 693.54	5.60%	2 838.99	2 992.29
Refuse		111.91	15.67	127.58	Refuse		118.18	16.55	134.73	5.60%	124.56	131.29
				2 678.27					2 828.26	5.60%	2 963.55	3 123.58
SMALL RESIDENTIAL GINGINDLOVU												
ERF 54 GING	2013/2014 FINANCIAL YEAR				ERF 54 GING	2014/2015 FINANCIAL YEAR					2014/2015	2014/2015
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE		
Rates	404 400	321.17		321.17	Rates	404 400	339.15		339.15	5.60%	357.46	376.77
Refuse		111.91	15.67	127.58	Refuse		118.18	16.55	134.73	5.60%	124.56	131.29
				448.74					473.88	5.60%	482.03	508.06
MEDIUM RESIDENTIAL GINGINDLOVU												
ERF 51/01 GING	2013/2014 FINANCIAL YEAR				ERF 51/01	2014/2015 FINANCIAL YEAR					2014/2015	2014/2015
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE		
Rates	560 000	472.88		472.88	Rates	560 000	499.36		499.36	5.60%	526.32	554.74
Refuse		111.91	15.67	127.58	Refuse		118.18	16.55	134.73	5.60%	124.56	131.29
				600.45					634.08	5.60%	650.88	686.03
LARGE RESIDENTIAL GINGINDLOVU												
ERF 115 GING	2013/2014 FINANCIAL YEAR				ERF 115 GING	2014/2015 FINANCIAL YEAR					2014/2015	2014/2015
DETAILS	M/VALUE	TOTAL	VAT	TOTAL	DETAILS	M/VALUE	TOTAL	VAT	TOTAL	% INCREASE		
Rates	605 000	516.75		516.75	Rates	605 000	545.69		545.69	5.60%	575.16	606.21
Refuse		111.91	15.67	127.58	Refuse		118.18	16.55	134.73	5.60%	124.56	131.29
				644.33					680.41	5.60%	699.72	737.50



2014/2015 EFFECT OF TARIFF INCREASES ON CUSTOMERS ACCOUNTS																
SMALL RESIDENTIAL ESHOWE																
ERF 969 ESH	2013/2014 FINACIAL YEAR							ERF 969 ESH	2014/2015 FINACIAL YEAR							
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	% INCREASE
Unit Cost Per KWH	0.70	0.87	1.16	1.18				Unit Cost Per KWH	0.74	0.93	1.24	1.29				
Consumption (600 Units)	50	300		0				Consumption (600 Units)	50	300		0				
	35.00	261.00	0.00	0.00	296.00	41.44	337.44		37.00	279.00	0.00	0.00	316.00	44.24	360.24	6.76%
Service Charge					177.72	24.88	202.60	Service Charge					194.96	27.29	222.25	9.70%
Rates	469 400				384.54		384.54	Rates	469 400				406.07		406.07	5.60%
Refuse					111.91	15.67	127.58	Refuse					118.18	16.55	134.73	5.60%
							1 052.16								1 123.29	6.76%
MEDIUM RESIDENTIAL ESHOWE																
ERF 241 ESH	2013/2014 FINACIAL YEAR							ERF 241 ESH	2014/2015 FINACIAL YEAR							
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	% INCREASE
Unit Cost Per KWH	0.7	0.87	1.16	1.18				Unit Cost Per KWH	0.74	0.93	1.24	1.29				
Consumption (1500 Units)	50	300	250	900				Consumption (1500 Units)	50	300	250	900				
	35.00	261.00	290.00	1 062.00	1 648.00	230.72	1 878.72		37.00	279.00	310.00	1 161.00	1 787.00	250.18	2 037.18	8.43%
Service Charge					177.72	24.88	202.60	Service Charge					194.96	27.29	222.25	9.70%
Rates	844 700				750.46		750.46	Rates	844 700				792.48		792.48	5.60%
Refuse					111.91	15.67	127.58	Refuse					118.18	16.55	134.73	5.60%
							2 959.36								3 186.64	7.68%
LARGE RESIDENTIAL ESHOWE																
ERF 389 ESH	2013/2014 FINACIAL YEAR							ERF 389 ESH	2014/2015 FINACIAL YEAR							
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	% INCREASE
Unit Cost Per KWH	0.7	0.87	1.16	1.18				Unit Cost Per KWH	0.74	0.93	1.24	1.29				
Consumption (2100 Units)	50	300	250	1500				Consumption (2100 Units)	50	300	250	1500				
	35.00	261.00	290.00	1 770.00	2 356.00	329.84	2 685.84		37.00	279.00	310.00	1 935.00	2 561.00	358.54	2 919.54	8.70%
Service Charge					177.72	24.88	202.60	Service Charge					194.96	27.29	222.25	9.70%
Rates	1 450 000				1 340.63		1 340.63	Rates	1 450 000				1 415.70		1 415.70	5.60%
Refuse					111.91	15.67	127.58	Refuse					118.18	16.55	134.73	5.60%
							4 356.64								4 692.22	7.70%

2014/2015 EFFECT OF TARIFF INCREASES ON CUSTOMERS ACCOUNTS																
SMALL RESIDENTIAL KING DINUZULU																
ERF 568 KDS	2013/2014 FINANCIAL YEAR							ERF 568 KDS	2014/2015 FINANCIAL YEAR							
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	% INCREASE
Unit Cost Per KWH	0.70	0.87	1.16	1.18				Unit Cost Per KWH	0.74	0.93	1.24	1.29				
Consumption (350 Units)	50	300	0	0				Consumption (350 Units)	50	300						
	35.00	261.00	0.00	0.00	296.00	41.44	337.44		37.00	279.00	0.00	0.00	316.00	44.24	360.24	6.76%
Service Charge					177.72	24.88	202.60	Service Charge					194.96	27.29	222.25	9.70%
Rates	228 900				150.05		150.05	Rates	228 900				158.46		158.46	5.60%
Refuse					111.91	15.67	127.58	Refuse					118.18	16.55	134.73	5.60%
							817.67								875.68	7.09%
MEDIUM RESIDENTIAL KING DINUZULU																
ERF 888 KDS	2013/2014 FINANCIAL YEAR							ERF 888 KDS	2014/2015 FINANCIAL YEAR							
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	% INCREASE
Unit Cost Per KWH	0.7	0.87	1.16	1.18				Unit Cost Per KWH	0.74	0.93	1.24	1.29				
Consumption (599 Units)	50	300	249	0				Consumption (599 Units)	50	300	249					
	35.00	261.00	288.84	0.00	584.84	81.88	666.72		37.00	279.00	308.76	0.00	624.76	87.47	712.23	6.83%
Service Charge					177.72	24.88	202.60	Service Charge					194.96	27.29	222.25	9.70%
Rates	413 100				329.65		329.65	Rates	413 100				348.11		348.11	5.60%
Refuse					111.91	15.67	127.58	Refuse					118.18	16.55	134.73	5.60%
							1 326.54								1 417.31	6.84%
LARGE RESIDENTIAL KING DINUZULU																
ERF 904 KDS	2013/2014 FINANCIAL YEAR							ERF 904 KDS	2014/2015 FINANCIAL YEAR							
DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	DETAILS	0-50KWH	51-350KWH	351-600KWH	600>KWH	TOTAL	VAT	TOTAL	% INCREASE
Unit Cost Per KWH	0.7	0.87	1.16	1.18				Unit Cost Per KWH	0.74	0.93	1.24	1.29				
Consumption (1050 Units)	50	300	250	450				Consumption (1050 Units)	50	300	250	450				
	35.00	261.00	290.00	531.00	1 117.00	156.38	1 273.38		37.00	279.00	310.00	580.50	1 206.50	168.91	1 375.41	8.01%
Service Charge					177.72	24.88	202.60	Service Charge					194.96	27.29	222.25	9.70%
Rates	511 900				425.98		425.98	Rates	511 900				449.83		449.83	5.60%
Refuse					111.91	15.67	127.58	Refuse					118.18	16.55	134.73	5.60%
							2 029.54								2 182.22	7.52%

## 10.8 Debtor's collection levels

The Finance Department endeavors to improve the collection levels of the outstanding debtor accounts by implementing the following:

- To execute termination of electricity supply by looking at the total outstanding account on the premises. This means that the electricity supply will be terminated if property rates is outstanding on the property
- To block the sale of pre paid electricity by looking at the total outstanding account, including property rates on the premises.
- An improved structure for arrangements and extensions of time for payment of outstanding debt.
- Quarterly meetings with the Council's attorneys to discuss problem areas on handed over cases.

## 10.9 Planned savings and efficiencies over the medium term revenue and expenditure framework

The following savings and efficiencies were discussed at management and Executive Committee level:

- Cut down on nice to have items in the operating expenditure and capital budgets.
- Cut down on unnecessary subsistence and travel to workshops and meetings that do not add value to the Council's operations.
- Managers of departments are instructed to improve the control of the overtime of their staff.
- The implementation plans in terms of the IDP must be developed and implemented in house by the relevant departments. Avoid the appointment of consultants.
- The Manager: Protection Services must ensure the productive utilization of the speeding camera/cameras
- To enhance the revenue on waste management, the Manager: Engineering services must identify which consumers are placing a burden on the waste transfer station.

## 10.10 Investments

At present the Council does not have investments to fund the operating or capital expenditure. The investment portfolio for the Council is investments for conditional grants received from National Treasury.

## 10.11 Planned proceeds from the lease of assets

Rental Facilities		
Description	Budgeted Amount for 2013/2014	Budgeted Amount for 2014/2015
Hire of Halls & Equipment	141 260	149 170
Hire of Building(Sportsclub)	8 880	9 380
Mtunzini Sugar Cane Farm	433 100	457 350
Rent – Sugar Cane Lease (Eshowe)	412 900	436 020
Rent – Sundry	135 150	142 040
Leases – Land Ging	105 800	111 720
Rent Received (Staff housing)	64 040	67 630
<b>Total Budgeted for Rental Facilities</b>	<b>1 301 130</b>	<b>1 373 310</b>

**10.12 Planned use of bank overdraft**

- The Council's primary bank account is with First National Bank in Eshowe
- The overdraft facility at the bank is **R2 500 000**.
- It is envisaged that use will be made of the bank overdraft facility during the 2014/2015 budget year, due to payment of large amounts for capital projects while waiting for transfer of government grants

**10.13 New borrowing proposed to be raised.**

There is no capital project in the 2014/2015 budget year that requires external funding.

# 11. EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

11.1 The Expenditure on allocation and grant programmes are follows:

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>										
<b>EXPENDITURE:</b>	<b>1</b>									
<u><b>Operating expenditure of Transfers and Grants</b></u>										
<b>National Government:</b>		53 055	64 213	88 027	92 858	102 390	102 390	115 853	139 938	146 492
Local Government Equitable Share		50 439	60 650	76 090	80 218	82 861	82 861	103 047	126 121	132 574
Municipal Systems Improvement		750	1 340	800	890	890	890	834	967	1 018
Finance Management		1 176	1 323	1 500	1 550	1 550	1 550	1 600	1 650	1 700
Integrated National Electrification Programme		-	-	8 130	8 000	14 870	14 870	7 000	10 000	10 000
EPWP Incentive		-	-	981	1 000	1 019	1 019	2 172	-	-
Project Management Unit (MIG Projects)		690	900	526	1 200	1 200	1 200	1 200	1 200	1 200
<b>Provincial Government:</b>		3 973	4 935	2 189	3 343	3 942	3 942	3 411	3 608	4 019
Health subsidy		3 090	2 576	201	-	-	-	-	-	-
Sport and Recreation		883	2 359	1 988	3 343	3 942	3 942	3 411	3 608	4 019
Project Management Unit (MIG Projects)										
<b>District Municipality:</b>		1 177	626	483	557	557	557	589	620	654
Uthungulu District Grant: Salary Claims		852	626	483	557	557	557	589	620	654
Uthungulu District Grant: Information Signs R66		325	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants:</b>		58 205	69 774	90 699	96 758	106 889	106 889	119 852	144 166	151 165
<u><b>Capital expenditure of Transfers and Grants</b></u>										
<b>National Government:</b>		24 094	32 602	32 602	42 476	51 044	51 044	44 288	56 807	54 559
Municipal Infrastructure Grant (MIG)		17 594	26 102	24 986	31 367	42 578	42 578	36 296	38 244	39 905
Municipal Infrastructure Grant (MIG)										
Equitable Share		6 500	6 500	7 616	11 109	8 466	8 466	7 992	18 563	14 654
<b>Provincial Government:</b>		-	-	1 068	-	-	-	2 250	-	-
Sport and recreation				1 068				2 250		
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Uthungulu District Grant: Salary Claims										
<b>Other grant providers:</b>		1 364	-	-	-	-	-	-	-	-
Development Bank of South Africa		1 364								
<b>Total capital expenditure of Transfers and Grants</b>		25 458	32 602	33 670	42 476	51 044	51 044	46 538	56 807	54 559
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		83 663	102 376	124 369	139 234	157 933	157 933	166 391	200 973	205 724

11.2 Hereunder follows the proposed equitable share allocations for the next 3 budget years

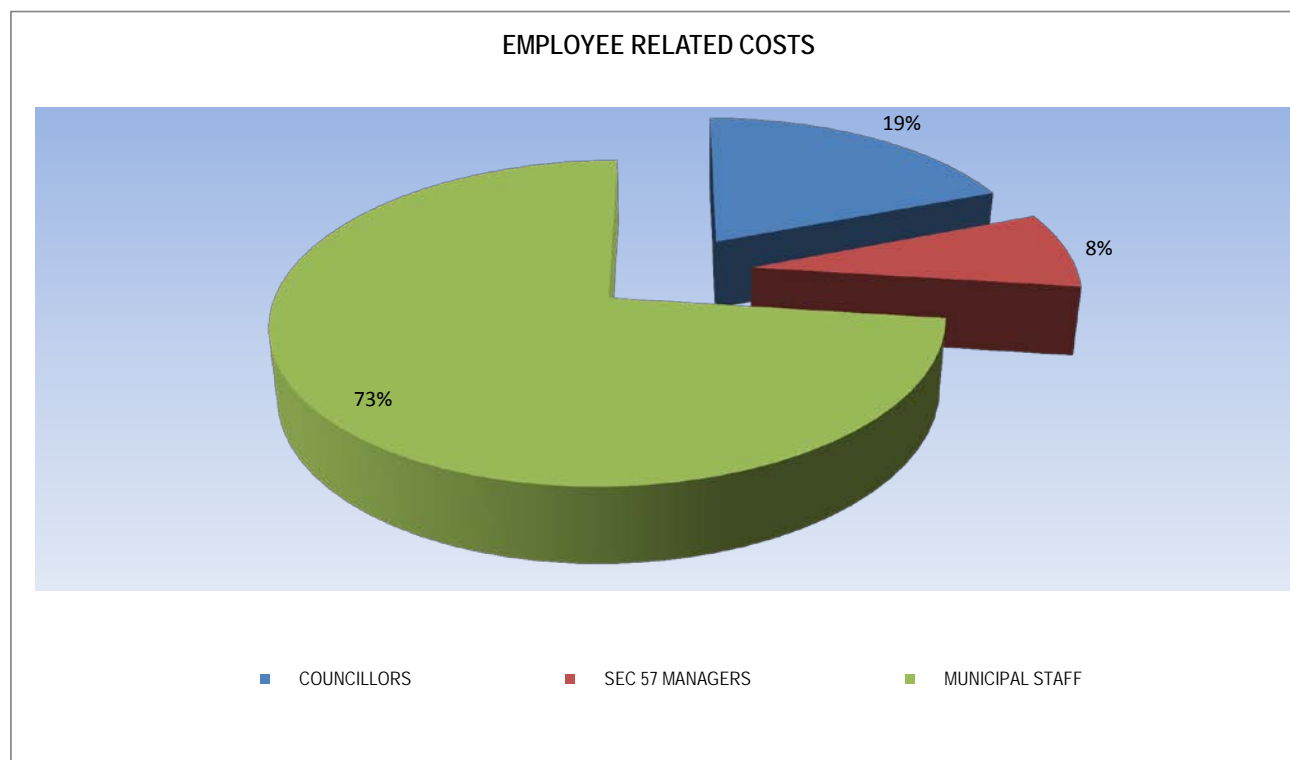
DETAILS	2014/2015 (R )	2015/2016 (R )	2016/2017 (R )
	150 000	300 000	200 000
International relations	1 000 000	1 000 000	0
Land use management system	0	0	0
Care taking: rural buildings	200 000	400 000	400 000
Youth development	400 000	500 000	500 000
Early childhood development	300 000	350 000	400 000
Community support programme	300 000	350 000	350 000
Local economic development (LED)	1 990 560	2 315 780	2 415 150
Youth business advisory centre	150 000	300 000	300 000
Ceremonial events	100 000	150 000	200 000
Commemorative celebrations	100 000	150 000	200 000
Rates relief	53 908 400	78 696 340	83 909 740
Depreciation on assets contribution	6 508 190	6 859 630	7 230 050
Poverty alleviation	2 345 940	2 370 920	2 422 730
Ward committee expenses	1 580 000	1 580 000	1 580 000
Re-valuation of properties	1 100 000	0	0
Councillor's remuneration	8 962 000	9 362 000	9 783 000
Animal pound facility	712 420	750 890	791 440
Rural fire prevention	300 000	350 000	400 000
Disaster assistance	518 450	600 000	600 000
Humanitarian assistance	600 000	700 000	700 000
Sport development	512 000	600 000	700 000
Cultural development	200 000	250 000	300 000
Special programmes	485 000	500 000	500 000
Operation Sukuma Sakhe	250 000	350 000	450 000
Local Aids Council	350 000	500 000	500 000
Work creation projects	903 070	1 319 110	1 400 000
Sports fields - security	323 600	339 780	356 770
Rural grounds maintenance	200 000	500 000	500 000
Rural roads and causeways	8 379 250	8 850 000	9 350 000
Free refuse	1 551 430	1 635 210	1 723 510
Solid waste relief	2 345 850	2 619 420	2 760 870
Free electricity	1 198 860	1 271 730	1 350 740
Increase in Eskom supply	4 971 770	0	0
Electricity metering audit	150 000	300 000	300 000
Capital projects contribution	7 892 210	18 563 190	14 654 000
	110 939 000	144 684 000	147 228 000

12. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

12.1 Summary of Councillor and Staff Benefits

Summary of Employee and Councillor remuneration	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
<b>Councillors (Political Office Bearers plus Other)</b>	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		6 787	7 514	9 446	9 446	8 605	8 605	10 512	11 240	12 018
Pension and UIF Contributions		785	874	1 047	752	685	685	837	895	956
Medical Aid Contributions		123	102	52	295	269	269	310	341	375
Motor Vehicle Allowance		2 642	2 890	2 135	3 498	3 186	3 186	3 887	4 159	4 450
Cellphone Allowance		579	639	53	704	641	641	1 161	1 242	1 329
Housing Allowances		38	41	-	-	-	-	-	-	-
Other benefits and allowances								187	187	187
<b>Sub Total - Councillors</b>		10 954	12 059	12 733	14 695	13 386	13 386	16 894	18 064	19 315
<b>% increase</b>	4		10.1%	5.6%	15.4%	(8.9%)	-	26.2%	6.9%	6.9%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		3 876	3 870	5 479	5 028	5 028	5 028	5 135	5 406	5 811
Pension and UIF Contributions		693	707	744	604	604	604	276	648	696
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		629	765	591	553	156	156	822	913	977
Motor Vehicle Allowance		649	777	615	416	416	416	866	416	416
Cellphone Allowance	3	60	60	-	84	84	84	108	108	108
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	48	48	48	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		5 906	6 179	7 429	6 733	6 336	6 336	7 207	7 491	8 008
<b>% increase</b>	4		4.6%	20.2%	(9.4%)	(5.9%)	-	13.7%	3.9%	6.9%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		31 163	32 896	35 385	38 721	36 190	36 190	45 220	67 373	72 063
Pension and UIF Contributions		5 454	6 781	6 953	8 265	7 208	7 208	8 086	8 299	8 877
Medical Aid Contributions		1 746	1 944	1 959	2 487	2 308	2 308	2 644	2 890	3 159
Overtime		2 265	3 191	5 093	3 095	3 001	3 001	3 293	4 456	4 768
Performance Bonus		54	(390)	-	0	0	0	(40)	64	63
Motor Vehicle Allowance	3	1 733	1 438	2 205	2 067	2 721	2 721	1 778	2 474	3 517
Cellphone Allowance	3	(60)	(60)	-	(84)	(84)	(84)	(108)	(108)	(108)
Housing Allowances	3	141	132	299	148	120	120	134	144	154
Other benefits and allowances	3	1 463	2 089	5 439	1 926	8 679	8 679	3 359	3 511	2 907
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		43 960	48 021	57 332	56 625	60 143	60 143	64 366	89 102	95 399
<b>% increase</b>	4		9.2%	19.4%	(1.2%)	6.2%	-	7.0%	38.4%	7.1%
<b>Total Parent Municipality</b>		60 821	66 260	77 494	78 053	79 865	79 865	88 467	114 657	122 722
			8.9%	17.0%	0.7%	2.3%	-	10.8%	29.6%	7.0%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		60 821	66 260	77 494	78 053	79 865	79 865	88 467	114 657	122 722
<b>% increase</b>	4		8.9%	17.0%	0.7%	2.3%	-	10.8%	29.6%	7.0%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	49 867	66 260	77 494	78 053	79 865	79 865	71 573	114 657	122 722

BUDGET - EMPLOYEE RELATED COSTS	
2014/2015 MTREF	
DESCRIPTION	BUDGET YEAR 2014/2015 R'000
COUNCILLORS	16 894
SEC 57 MANAGERS	6 992
MUNICIPAL STAFF	64 582
TOTAL EXPENDITURE	88 468





### 12.2 Salaries, allowances and benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4	1	389 880	45 285	170 984			606 149
Chief Whip		1	321 213	86 755	161 918			569 886
Executive Mayor		1	439 391	104 564	207 247			751 202
Deputy Executive Mayor		1	435 164	-	170 984			606 148
Executive Committee		8	3 018 955	244 780	1 295 342			4 559 077
Total for all other councillors		40	5 907 776	665 931	3 228 386			9 802 093
<b>Total Councillors</b>	8	52	10 512 379	1 147 315	5 234 860			16 894 554
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)		1	1 099 948	203 779	-	182 522		1 486 249
Chief Finance Officer		1	747 754	118 808	69 405	128 515		1 064 482
Deputy City Manager - Corporate Services		1	711 078	1 785	146 330	117 767		976 960
Deputy City Manager - Protection Services		1	718 301	16 151	126 000	117 943		978 395
Deputy City Manager - Community Services		1	695 736	1 785	162 000	117 813		977 334
Deputy City Manager - Engineering Services		1	681 768	15 420	162 004	117 767		976 959
List of each official with packages >= senior manager								
Deputy Municipal Manager		1	-	-	-	-		-
Deputy Chief Financial Officer		1	480 557	98 076	128 103	-		706 736
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total Senior Managers of the Municipality</b>	8,10	8	5 135 142	455 803	793 843	782 327		7 167 115
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	60	15 647 521	1 603 118	6 028 703	782 327	-	24 061 669

### 12.3 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2012/13			Current Year 2013/14			Budget Year 2014/15		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		52	4	48	52	4	48	52	8	44
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	7		7	7		7	5	–	5
Other Managers	7	8	8		8	8		16	14	2
Professionals		10	10	–	12	12	–	5	5	–
Finance		5	5		5	5		5	5	
Spatial/town planning		4	4		6	6		–	–	
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other		1	1		1	1		–	–	
Technicians		279	279	–	279	279	–	279	254	25
Finance		18	18		18	18		20	19	1
Spatial/town planning		31	31		31	31		36	36	
Information Technology		4	4		4	4		–	–	
Roads		27	27		27	27		23	23	
Electricity		23	23		23	23		–	–	
Water										
Sanitation										
Refuse		26	26		26	26		25	25	
Other		150	150		150	150		175	151	24
Clerks (Clerical and administrative)		13	13		13	13		17	15	2
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>369</b>	<b>314</b>	<b>55</b>	<b>371</b>	<b>316</b>	<b>55</b>	<b>374</b>	<b>296</b>	<b>78</b>
<b>% increase</b>					0.5%	0.6%	–	0.8%	(6.3%)	41.8%
<b>Total municipal employees headcount</b>	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

### 13. MONTHLY TARGETS FOR REVENUE AND CASHFLOW

#### 13.1 Hereunder follows a consolidation for revenue by source and expenditure by type

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>MONTHLY CASH FLOWS</b>															
<b>R thousand</b>															
<b>Cash Receipts By Source</b>													1		
Property rates	2 110	4 713	4 247	1 881	3 102	4 241	2 034	2 223	2 317	2 367	2 230	1 820	33 284	34 559	36 104
Property rates - penalties & collection charges	46	46	46	46	46	46	46	46	46	46	46	46	552	582	613
Service charges - electricity revenue	3 758	4 432	3 821	4 447	4 342	3 191	4 033	4 221	4 423	4 201	3 920	4 414	49 203	52 784	56 663
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	728	799	828	777	853	692	1 216	724	816	808	846	486	9 573	9 559	10 048
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	103	103	103	103	103	103	103	103	103	103	103	103	1 236	1 302	1 223
Interest earned - external investments	217	217	217	217	217	217	217	217	217	217	217	217	2 600	2 700	2 800
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	238	325	221	270	266	211	152	201	292	312	350	286	3 124	2 799	2 950
Licences and permits	240	204	310	178	195	142	239	201	223	175	221	50	2 376	3 265	3 442
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	45 976	6 393	2 049	-	41 230	175	-	652	23 378	-	-	0	119 852	144 166	151 165
Other revenue	36	36	36	36	36	36	36	36	36	36	36	36	436	806	766
<b>Cash Receipts by Source</b>	<b>53 452</b>	<b>17 268</b>	<b>11 878</b>	<b>7 954</b>	<b>50 391</b>	<b>9 053</b>	<b>8 076</b>	<b>8 623</b>	<b>31 851</b>	<b>8 265</b>	<b>7 969</b>	<b>7 458</b>	<b>222 238</b>	<b>252 523</b>	<b>265 774</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	14 998	-	-	-	10 499	575	-	575	19 891	-	-	(0)	46 538	56 807	54 559
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	100	-	100	200	200
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	16	16	16	16	16	16	16	16	16	16	16	16	190	174	52
Decrease (Increase) in non-current debtors	-	-	-	-	-	(3)	-	-	-	-	-	(2)	(5)	(3)	2
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>68 466</b>	<b>17 284</b>	<b>11 894</b>	<b>7 970</b>	<b>60 905</b>	<b>9 641</b>	<b>8 091</b>	<b>9 214</b>	<b>51 758</b>	<b>8 281</b>	<b>8 085</b>	<b>7 472</b>	<b>269 061</b>	<b>309 701</b>	<b>320 587</b>
<b>Cash Payments by Type</b>															
Employee related costs	5 964	5 964	5 964	5 964	5 964	5 964	5 964	5 964	5 964	5 964	5 964	5 964	71 574	96 593	103 407
Remuneration of councillors	1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408	1 408	16 895	18 064	19 315
Finance charges	-	-	492	-	-	-	-	-	223	-	-	(0)	714	753	794
Bulk purchases - Electricity	513	4 912	6 142	2 735	578	6 146	3 030	3 682	3 403	3 096	3 342	3 434	41 013	44 609	47 563
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	2 202	26 421	26 432	25 719
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	215	215	215	215	215	215	215	745	215	215	215	493	3 388	3 573	3 770
Other expenditure	6 275	6 275	6 275	6 275	6 275	6 275	6 275	6 275	6 275	6 275	6 275	6 275	75 298	75 039	82 215
<b>Cash Payments by Type</b>	<b>16 576</b>	<b>20 976</b>	<b>22 698</b>	<b>18 799</b>	<b>16 642</b>	<b>22 210</b>	<b>19 094</b>	<b>20 276</b>	<b>19 690</b>	<b>19 160</b>	<b>19 406</b>	<b>19 775</b>	<b>235 302</b>	<b>265 062</b>	<b>282 782</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	2 599	2 029	2 813	5 368	3 675	3 606	2 011	2 474	3 974	2 354	1 702	4 864	37 469	41 305	41 187
Repayment of borrowing	-	-	-	-	-	-	-	-	(343)	-	-	-	(343)	(343)	(343)
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>19 175</b>	<b>23 005</b>	<b>25 511</b>	<b>24 167</b>	<b>20 317</b>	<b>25 817</b>	<b>21 105</b>	<b>22 750</b>	<b>23 321</b>	<b>21 514</b>	<b>21 107</b>	<b>24 640</b>	<b>272 428</b>	<b>306 024</b>	<b>323 626</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>49 291</b>	<b>(5 721)</b>	<b>(13 617)</b>	<b>(16 197)</b>	<b>40 588</b>	<b>(16 176)</b>	<b>(13 014)</b>	<b>(13 536)</b>	<b>28 436</b>	<b>(13 233)</b>	<b>(13 022)</b>	<b>(17 168)</b>	<b>(3 367)</b>	<b>3 677</b>	<b>(3 039)</b>
Cash/cash equivalents at the month/year begin:	45 451	94 742	89 021	75 404	59 208	99 796	83 620	70 606	57 070	85 507	72 274	59 252	45 451	42 084	45 761
Cash/cash equivalents at the month/year end:	94 742	89 021	75 404	59 208	99 796	83 620	70 606	57 070	85 507	72 274	59 252	42 084	42 084	45 761	42 722

13.2 Hereunder follows a consolidation for revenue by source and expenditure by type

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>																
<b>Revenue - Standard</b>																
<i>Governance and administration</i>		10 087	10 087	10 087	10 087	10 087	10 087	10 087	10 087	10 087	10 087	10 087	10 087	121 038	148 759	155 913
Executive and council		9 769	9 769	9 769	9 769	9 769	9 769	9 769	9 769	9 769	9 769	9 769	9 769	117 224	144 827	152 861
Budget and treasury office		204	204	204	204	204	204	204	204	204	204	204	204	2 453	2 551	2 651
Corporate services		113	113	113	113	113	113	113	113	113	113	113	113	1 362	1 381	402
<i>Community and public safety</i>		1 179	1 179	1 179	1 179	1 179	1 179	1 179	1 179	1 179	1 179	1 179	1 179	14 149	16 230	17 209
Community and social services		328	328	328	328	328	328	328	328	328	328	328	328	3 942	4 357	4 621
Sport and recreation		217	217	217	217	217	217	217	217	217	217	217	217	2 604	3 399	3 564
Public safety		373	373	373	373	373	373	373	373	373	373	373	373	4 475	4 804	5 062
Housing		12	12	12	12	12	12	12	12	12	12	12	12	143	150	158
Health		249	249	249	249	249	249	249	249	249	249	249	249	2 986	3 520	3 804
<i>Economic and environmental services</i>		1 319	1 319	1 319	1 319	1 319	1 319	1 319	1 319	1 319	1 319	1 319	1 319	15 824	14 342	15 074
Planning and development		318	318	318	318	318	318	318	318	318	318	318	318	3 814	1 666	1 691
Road transport		1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	1 001	12 010	12 677	13 383
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		6 925	6 925	6 925	6 925	6 925	6 925	6 925	6 925	6 925	6 925	6 925	6 925	83 095	85 888	91 091
Electricity		5 739	5 739	5 739	5 739	5 739	5 739	5 739	5 739	5 739	5 739	5 739	5 739	68 868	70 746	75 162
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		0	0	0	0	0	0	0	0	0	0	0	0	1	1	1
Waste management		1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	1 185	14 226	15 141	15 928
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>		19 509	19 509	19 509	19 509	19 509	19 509	19 509	19 509	19 509	19 509	19 509	19 509	234 106	265 219	279 287
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>		6 787	6 787	6 787	6 787	6 787	6 787	6 787	6 787	6 787	6 787	6 787	6 787	81 446	105 854	110 323
Executive and council		5 086	5 086	5 086	5 086	5 086	5 086	5 086	5 086	5 086	5 086	5 086	5 086	61 031	84 371	88 487
Budget and treasury office		1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	12 953	13 789	14 681
Corporate services		622	622	622	622	622	622	622	622	622	622	622	622	7 462	7 694	7 155
<i>Community and public safety</i>		3 867	3 867	3 867	3 867	3 867	3 867	3 867	3 867	3 867	3 867	3 867	3 867	46 404	50 401	53 757
Community and social services		479	479	479	479	479	479	479	479	479	479	479	479	5 749	6 094	6 583
Sport and recreation		852	852	852	852	852	852	852	852	852	852	852	852	10 218	11 528	12 242
Public safety		2 053	2 053	2 053	2 053	2 053	2 053	2 053	2 053	2 053	2 053	2 053	2 053	24 637	26 241	27 892
Housing		13	13	13	13	13	13	13	13	13	13	13	13	156	165	174
Health		470	470	470	470	470	470	470	470	470	470	470	470	5 644	6 374	6 866
<i>Economic and environmental services</i>		1 892	1 892	1 892	1 892	1 892	1 892	1 892	1 892	1 892	1 892	1 892	1 892	22 706	21 766	23 067
Planning and development		462	462	462	462	462	462	462	462	462	462	462	462	5 544	3 521	3 681
Road transport		1 430	1 430	1 430	1 430	1 430	1 430	1 430	1 430	1 430	1 430	1 430	1 430	17 162	18 245	19 385
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		6 912	6 912	6 912	6 912	6 912	6 912	6 912	6 912	6 912	6 912	6 912	6 912	82 948	86 564	91 477
Electricity		5 513	5 513	5 513	5 513	5 513	5 513	5 513	5 513	5 513	5 513	5 513	5 513	66 155	68 744	72 567
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		61	61	61	61	61	61	61	61	61	61	61	61	731	778	829
Waste management		1 339	1 339	1 339	1 339	1 339	1 339	1 339	1 339	1 339	1 339	1 339	1 339	16 063	17 041	18 081
<i>Other</i>		46	46	46	46	46	46	46	46	46	46	46	46	552	590	631
<b>Total Expenditure - Standard</b>		19 505	19 505	19 505	19 505	19 505	19 505	19 505	19 505	19 505	19 505	19 505	19 505	234 056	265 175	279 255
<b>Surplus/(Deficit) before assoc.</b>		4	4	4	4	4	4	4	4	4	4	4	4	49	44	32
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	4	4	4	4	4	4	4	4	4	4	4	4	49	44	32

13.3 Hereunder follows capital expenditure by vote

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - EXECUTIVE AND COUNCIL					100		128						-	228	470	30
Vote 2 - BUDGET AND TREASURY OFFICE					264	450	220						-	934	256	178
Vote 3 - CORPORATE SERVICES				413	763	413	1 213	413	413	2 513	413		-	6 550	3 344	5 761
Vote 4 - PLANNING AND DEVELOPMENT							15	40					-	-	-	-
Vote 5 - HEALTH							10	100	100	200			-	55	10	65
Vote 6 - COMMUNITY AND SOCIAL SERVICES													-	410	470	1 060
Vote 7 - HOUSING													-	-	-	-
Vote 8 - PUBLIC SAFETY					200	40	450						-	690	490	3 355
Vote 9 - SPORTS AND RECREATION		280	280	640	1 390	480	650	450	450	550	450		-	5 620	8 215	14 923
Vote 10 - WASTE MANAGEMENT		500			250	50	100						-	900	1 770	400
Vote 11 - ROAD TRANSPORT		4 840	4 710	5 285	5 767	4 817	3 342	2 437	3 287	3 287	3 087	800	4 300	45 961	40 819	30 606
Vote 12 - ELECTRICITY				120	250	350	380						-	1 100	3 163	2 460
Vote 13 - AIR TRANSPORT													-	-	-	-
Vote 14 - WORKSHOP													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	5 620	4 990	6 458	8 984	6 600	6 507	3 439	4 250	6 550	3 950	800	4 300	62 448	59 007	58 839
<b>Total Capital Expenditure</b>	2	5 620	4 990	6 458	8 984	6 600	6 507	3 439	4 250	6 550	3 950	800	4 300	62 448	59 007	58 839

14. CONTRACT HAVING FUTURE BUDGETS IMPLICATIONS

Hereunder follows the details of a contract which will impose financial obligations on the municipality beyond the three years covered in the annual budget:

Name	Description of Contract	Planned expenditure for duration of contract			
		2013/2014	2014/2015	2015/2016	2016/2017
<i>HCB Property Valuations</i>	<i>Second round of property valuations</i>	R432 000	R1 520 000	R300 000	R320 000

15. CAPITAL EXPENDITURE DETAILS  
15.1 Capital expenditure on new assets by assets class

b.1 Capital expenditure on new assets by assets class										
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		12 473	18 226	17 187	26 563	32 261	32 261	27 861	24 696	17 789
Infrastructure - Road transport		6 417	17 066	16 687	17 833	20 661	20 661	22 879	14 760	2 589
Roads, Pavements & Bridges		6 417	17 066	13 670	17 833	20 661	20 661	22 879	14 760	2 589
Storm water				3 018						
Infrastructure - Electricity		1 463	347	437	1 003	1 229	1 229	580	800	1 350
Generation		1 463	347	437	1 003	1 229	1 229	580	800	1 350
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		4 593	813	63	7 727	10 371	10 371	4 402	9 136	13 850
Waste Management		4 157	122	63	3 527	6 171	6 171	-	-	-
Transportation						-	-			
Gas						-	-			
Other		435	690	-	4 200	4 200	4 200	4 402	9 136	13 850
Community		5 362	3 086	5 048	3 400	3 800	3 800	4 390	6 125	17 449
Parks & gardens						-	-			
Sportsfields & stadia		1 781	1 120	1 000	2 000	1 400	1 400	3 650	3 875	13 323
Swimming pools		-		100	-	-	-	-	100	-
Community halls		744		127	1 000	800	800	-	1 700	3 076
Libraries						-	-			
Recreational facilities						-	-			
Fire, safety & emergency		50			-	-	-	300	-	-
Security and policing						-	-			
Buses						-	-			
Clinics						-	-			
Museums & Art Galleries						-	-			
Cemeteries		262		42	400	400	400	400	450	50
Social rental housing						-	-			
Other		2 525	1 966	3 779	-	1 200	1 200	40	-	1 000
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		1 866	800	-	-	-	-	2 100	-	-
Housing development		1 866	800	-	-	-	-	2 100	-	-
Other						-	-			
Other assets		2 351	1 439	4 202	1 762	1 853	1 853	1 634	3 938	5 315
General vehicles		1 488	432	2 754	960	994	994	400	910	-
Specialised vehicles		-	-	-	-	-	-	-	-	3 125
Plant & equipment		658	758	966	540	547	547	713	2 728	1 877
Computers - hardware/equipment						-	-			
Furniture and other office equipment		204	249	482	262	312	312	520	299	313
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on new assets	1	22 051	23 551	26 436	31 725	37 914	37 914	35 985	34 759	40 553
Specialised vehicles		-	-	-	-	-	-	-	-	3 125
Refuse										
Fire										
Conservancy										3 125
Ambulances										

## 15.2 Capital expenditure on the renewal of existing assets by class

15.2 Capital expenditure on the renewal of existing assets by class											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand	1										
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure	2	951	1 330	6 024	10 190	12 312	12 312	19 159	17 235	14 426	
Infrastructure - Road transport		866	1 060	6 024	9 920	12 063	12 063	18 669	15 892	14 166	
Roads, Pavements & Bridges		627	720	6 024	9 393	11 556	11 556	17 869	14 892	13 166	
Storm water		239	340	-	527	507	507	800	1 000	1 000	
Infrastructure - Electricity		85	140	-	140	119	119	270	1 343	260	
Generation		85	140	-	140	119	119	270	1 343	260	
Transmission & Reticulation											
Street Lighting											
Infrastructure - Water		-	-	-	-	-	-	-	-	-	
Dams & Reservoirs											
Water purification											
Reticulation											
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	
Reticulation											
Sewerage purification											
Infrastructure - Other		-	130	-	130	130	130	130	220	-	-
Waste Management											
Transportation											
Gas											
Other		3	130	-	130	130	130	130	220		
Community			184	230	1 210	1 015	1 015	1 015	450	3 650	150
Parks & gardens		7			1 028		-	-			
Sportsfields & stadia							-	-			
Swimming pools						150	150	150	-	3 500	-
Community halls			184	230	182	865	865	865	-	-	-
Libraries							-	-			
Recreational facilities							-	-			
Fire, safety & emergency							-	-	450	150	150
Security and policing							-	-			
Buses							-	-			
Clinics							-	-			
Museums & Art Galleries							-	-			
Cemeteries						-	-				
Social rental housing	8						-				
Other							-				
Heritage assets			-	-	-	-	-	-	-	-	-
Buildings	9										
Other											
Investment properties		-	-	-	-	-	-	-	-	-	
Housing development											
Other											
Other assets		223	347	-	3 046	3 003	3 003	6 855	3 363	3 710	
General vehicles	10				2 730	2 687	2 687	2 390	1 680	900	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment				-	35	35	35	1 165	214	310	
Computers - hardware/equipment		223	347		281	281	281	-	-	-	
Furniture and other office equipment											
Abattoirs											
Markets											
Civic Land and Buildings											
Other Buildings								3 300	1 469	2 500	
Other Land											
Surplus Assets - (Investment or Inventory)											
Other											
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets		-	-	-	-	-	-	-	-	-	
List sub-class											
Intangibles		-	-	-	-	-	-	-	-	-	
Computers - software & programming											
Other (list sub-class)											
Total Capital Expenditure on renewal of existing assets	1	1 357	1 907	7 234	14 251	16 330	16 330	26 464	24 248	18 286	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Refuse											
Fire											
Conservancy											
Ambulances											
Renewal of Existing Assets as % of total capex		5.8%	7.5%	21.5%	31.0%	30.1%	30.1%	42.4%	41.1%	31.1%	
Renewal of Existing Assets as % of deprecn"		19.3%	25.3%	89.8%	166.7%	193.1%	193.1%	296.3%	257.6%	184.3%	



## 15.3 Repairs and maintenance expenditure by class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		3 218	5 938	6 409	7 870	11 356	11 356	12 075	12 792	13 561
Infrastructure - Road transport		1 634	4 227	4 284	5 697	9 092	9 092	9 637	10 190	10 780
Roads, Pavements & Bridges		1 634	4 227	4 284	5 697	9 092	9 092	9 637	10 190	10 780
Storm water										
Infrastructure - Electricity		1 092	1 082	1 328	1 415	1 515	1 515	1 611	1 709	1 815
Generation		1 092	1 082	1 328	1 415	1 515	1 515	1 611	1 709	1 815
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		492	630	797	758	749	749	827	893	966
Waste Management		492	630	779	758	749	749	810	876	947
Transportation				6				7	7	8
Gas										
Other				12				10	10	11
<b>Community</b>		1 428	3 405	2 982	2 121	2 229	2 229	2 509	2 886	3 114
Parks & gardens		383	1 641	515	698	698	698	846	1 197	1 251
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		10	-	10	12	7	7	13	14	14
Community halls		215	641	1 312	313	333	333	90	96	103
Libraries		17	7	7	9	9	9	10	10	11
Recreational facilities		9	11	16	12	12	12	13	13	14
Fire, safety & emergency		313	389	408	430	543	543	590	642	698
Security and policing		468	550	681	589	589	589	908	873	980
Buses		-	-	-	-	-	-	-	-	-
Clinics		6	23	28	-	-	-	-	-	-
Museums & Art Galleries		7	4	1	5	5	5	5	5	5
Cemeteries		2	139	4	53	33	33	35	36	38
Social rental housing										
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<b>Investment properties</b>		-	-	47	-	-	-	56	59	62
Housing development				47				56	59	62
Other										
<b>Other assets</b>		450	670	575	997	1 529	1 529	1 323	1 596	1 686
General vehicles										
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment				99				171	184	198
Computers - hardware/equipment										
Furniture and other office equipment				78				93	99	105
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings				74				328	348	369
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		450	670	324	997	1 529	1 529	733	965	1 014
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Repairs and Maintenance Expenditure</b>	1	5 096	10 013	10 013	10 988	15 114	15 114	15 963	17 332	18 423
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
<b>R&amp;M as a % of PPE</b>		1.2%	2.2%	2.1%	2.5%	3.1%	3.1%	3.0%	3.2%	3.3%
<b>R&amp;M as % Operating Expenditure</b>		3.2%	6.1%	5.2%	5.4%	7.0%	7.0%	6.8%	6.5%	6.6%

## 15.4 Future financial implications of the capital budget

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>R thousand</b>	<b>1</b>									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		3 103	7 548	8 056	2 992	2 904	2 904	8 932	9 415	9 923
Infrastructure - Road transport		930	6 373	6 885	951	863	863	7 634	8 047	8 480
Roads, Pavements & Bridges		930	6 373	6 885	951	863	863	7 634	8 047	8 480
Storm water										
Infrastructure - Electricity		1 791	729	720	2 041	2 041	2 041	798	841	887
Generation		1 791	729	720	2 041	2 041	2 041	798	841	887
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		382	446	451	-	-	-	500	527	556
Waste Management		382	446	451	-	-	-	500	527	556
Transportation										
Gas										
Other										
<b>Community</b>		3 415	-	-	4 445	4 445	4 445	-	-	-
Parks & gardens		244			424	424	424			
Sportsfields & stadia					-	-	-			
Swimming pools		25			121	121	121			
Community halls		195			242	242	242			
Libraries		347			420	420	420			
Recreational facilities					-	-	-			
Fire, safety & emergency					-	-	-			
Security and policing		675			968	968	968			
Buses					-	-	-			
Clinics		31			38	38	38			
Museums & Art Galleries		9			10	10	10			
Cemeteries		11			61	61	61			
Social rental housing					-	-	-			
Other		1 877			2 161	2 161	2 161			
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		519	-	-	1 110	1 110	1 110	-	-	-
General vehicles										
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		519			1 110	1 110	1 110			
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Depreciation</b>	<b>1</b>	<b>7 037</b>	<b>7 548</b>	<b>8 056</b>	<b>8 547</b>	<b>8 459</b>	<b>8 459</b>	<b>8 932</b>	<b>9 415</b>	<b>9 923</b>
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

## 16. LEGISLATION COMPLIANCE STATUS

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) became effective on 1 July 2004. Elements of the act have been phased in according to capacity of each municipality – high, medium and low.

The LG:MFMA has introduced significant changes to the financial management of local government. One of the main changes in budget preparation is that the single year, line item budgeting – which was a common feature of the previous practices – has been replaced by multi-year budgeting at a more strategic level.

The LG: MFMA aim to modernize budget and financial practices at all spheres of government, thereby facilitating effective service delivery. The general public plays an important role in ensuring a budget is set to reflect targeted service delivery. For example, during the budget preparation process, Section 21 of the LG: MFMA requires communities and residents within the municipal jurisdiction to be part of the Budget and Integrated Development Planning (IDP) processes. Section 8 of this report describes how this has been achieved.

Communities can also monitor the performance of the approved budget through regular reporting of the Service Delivery & Budget Implementation Plan (SDBIP) and the performance contracts of senior manager. These are prepared at the same time as the budget, thus ensuring alignment at the start of the financial year. Section 15 of this report provides some detail of the departmental SDBIP's that have been prepared. These highlight the key service delivery and performance targets that senior managers are accountable for.

Some of the key budget reforms encapsulated within the LG: MFMA, that uMlalazi has applied, are:

- Forward looking, multi-year budgets with strategic focus;
- Clear links between budget allocations and agreed policies;
- Improved integration of budget and planning processes;
- New budget process timetable with earlier adoption of budgets by council and earlier audits of Annual Financial Statements;
- Improved in-year reporting according to vote/function;
- Improved financial management information;
- Service Delivery and Budget Implementation Plans (SDBIP) developed and approved with budgets;
- New accounting norms and standards;
- Improvements to procurement and Supply Chain Management policies and processes;
- Establishment of a new audit committee and oversight process reforms and;
- Focus on performance measurement,

The LG: MFMA implementation is monitored through regular reporting including:

- Quarterly reviews of LG: MFMA implementation plans and 12 urgent implementation priorities checklist;
- Monthly returns to National Treasury and monthly reports to Mayor and Council, as required by Section 71;
- Publication of information on the municipalities website ([www.umlalazi.org.za](http://www.umlalazi.org.za)) and
- Mid-year budget and performance assessment as required by Section 72

The Budget and Medium Term Revenue and Expenditure Framework (MTREF) was prepared taking cognizance of the contents of the Municipal budget and reporting regulations, Local Government: Municipal Finance Management Act No 56 of 2003, Circular No. 51 and the LG:MFMA Budget Formats Guide received from National Treasury.

The objective of the regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities and municipal entities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the Act.

## OTHER LEGISLATION

The other important pieces of legislation when considering the budget processes are:

- The Division of Revenue Bill 2010 and
- The Municipal Systems Act (Act no. 32 of 2000), together with the Municipal Systems Amendment Act (Act No. 44 of 2003)

### Division of Revenue Bill 2010

This Bill issued in February annually, provides the three year allocations from national government to local government. It sets out all the reporting requirements and conditions relating to the grants. Alongside this Provincial Departments allocate funding to local government by means of a provincial gazette.

These allocations are used when preparing the three year budget in order to comply with Section 18 of the LG: MFMA (relating to reasonably anticipated revenues to be collected). Additional allocations – both nationally and provincially – are sometimes made to municipalities. However, these are not included in the original budget as the allocations are not certain. When confirmed they will be included in an adjustments budget in accordance with Section 28 of the LG: MFMA.

### The Municipal Systems Act (Act no. 32 of 2000) and the Municipal Systems Amendment Act (Act No. 44 of 2003)

These acts form the basis of the links between the budget and the Integrated Development Plan (IDP). In particular, the aspects that have been considered in preparing the budget are:

- Community participation (Chapters 4 & 5);

Performance management (Chapter 6) providing also the basis for measurable performance objectives in the Service Delivery and Budget Implementation Plan (SDBIP); and Tariff Policy (Chapter 8).

17. **MUNICIPAL MANAGER'S QUALITY CERTIFICATE**

I **Thembinkosi Simon Mashabane**, Municipal Manager of the uMlalazi Municipality,

Hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act to a certain extent with the budget document as set out in schedule A of the regulations including the main tables (A1-A10), and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name..... **THEMBINKOSI SIMON MASHABANE**.....

Municipal Manager of .....**uMLALAZI MUNICIPALITY**.....

Signature..........

Date..........

# uMLALAZI MUNICIPALITY



2014/2015

TARIFFS

PROPERTY RATES			
	Categories	Ratio in relation to residential property	
	Residential property	1.00	:1
	Commercial and Industrial property	1.00	:1
	Mining	1.00	:2
	Vacant Land	1.00	:1
	Agricultural property	1.00	:0.25
	Public service infrastructure	1.00	:0.25
	TARIFFS FOR PROPERTY RATES		
	Category	2013/2014 c/R	2014/2015 c/R
	Residential	1.17	1.24
	Commercial and Industrial	1.17	1.24
	Vacant Land	1.17	1.24
	Mining	2.34	2.48
	Government/State Owned	1.17	1.24
	Municipal Owned	1.17	1.24
	Clubs/Churches	1.17	1.24
	Agricultural	0.29	0.3089
	Public service infrastructure	0.29	0.3089

SUMMARY OF REBATE AND REVENUE FORGONE			
		%	
		Rebates	Total
	<b>Rebates</b>		
	Clubs/Churches	100.00	1 097 035
	Pensioners	40.00	106 590
	Pensioners (earning above the stipulated threshold)	20.00	274 231
	Municipal properties	100.00	3 097 251
	Indigents	100.00	814 155
	3rd year phase in	25.00	44 965
	Early Settlement Rebate	20.00	665 094
	Small holdings with agricultural activities	50.00	38 750
			<b>6 138 071</b>
	<b>Revenue foregone</b>		
	First 30% of the M/V for PSI		1 988 791
	1st R60 000 non-rateable on residential		2 863 656
	1st R15 000 non-rateable on vacant residential		715 914
			<b>5 568 361</b>
	<b>TOTAL</b>		<b>11 706 432</b>



<b>ELECTRICITY SUPPLY</b>			
<b>SECTION A: CHARGES FOR ELECTRICITY</b>			
		<b>2013/2014</b>	<b>2014/2015</b>
<b>1</b>	<b>Eshowe Consumers</b>		
<b>1.1</b>	<b>Domestic consumers, churches and old age homes</b>		
	Monthly service charge (which charge excludes any kilowatt hour of electricity consumed)	202.60	217.57
	Consumption charge		
	<b>INCLINING BLOCK TARIFF SYSTEM</b>		
	0 - 50 Kwh	0.80	0.84
	51 - 350 Kwh	0.99	1.06
	351- 600 Kwh	1.32	1.42
	601 > Kwh	1.34	1.46
<b>1.2</b>	<b>Businesses, clubs, boarding houses, hotels, school and hostels, Government /NPA</b>		
<b>1.2.1</b>	<b>Monthly service charge (which charge excludes any kilowatt hour of electricity consumed)</b>		
	For a single-phase connection per month	259.29	278.45
	for a three-phase connection per month	742.92	797.83
<b>1.2.2</b>	<b>Consumption charge</b>	1.58	1.70
<b>1.3</b>	<b>Large consumers</b>		
<b>1.3.1</b>	<b>Monthly service charge (which charge excludes any kilowatt hour of electricity consumed)</b>	423.54	454.84
	Consumption charge for KVA	171.98	184.69
<b>1.3.2</b>	<b>Consumption charges</b>	0.70	0.75
<b>2</b>	<b><u>King Dinuzulu Consumers</u></b>		
<b>2.1</b>	<b>Monthly service charge</b>		
	Domestic	202.60	217.57
	Businesss	742.92	797.83
<b>2.2</b>	<b>Consumption Charge</b>		
	Domestic		
	<b>INCLINING BLOCK TARIFF SYSTEM</b>		
	0 -50 kWh	0.80	0.84
	51-350 kWh	0.99	1.06
	351-600 Kwh	1.32	1.42
	601 > Kwh	1.34	1.46
	Businesses	1.58	1.73
<b>3</b>	<b><u>Users where prepaid meters have been installed</u></b>		
<b>3.1</b>	<b>Consumption charge- Domestic</b>		
	<b>INCLINING BLOCK TARIFF SYSTEM</b>		
	0-50 Kwh	0.80	0.84
	51-350 Kwh	0.99	1.06
	351-600 Kwh	1.32	1.42
	601 > Kwh	1.54	1.68
<b>3.2</b>	<b>Consumption charge-Commercial (single phase)</b>	1.58	1.70
<b>3.3</b>	<b>Consumption charge-Commercial (three phase)</b>		
<b>3.4</b>	<b>Low Cost Housing</b>		
	<b>INCLINING BLOCK TARIFF SYSTEM</b>		
	0-50 Kwh	0.79	0.83
	51-350 Kwh	0.98	1.04
	351-600 Kwh	1.12	1.18
	601 > Kwh	1.20	1.27
<b>4</b>	<b>Connection fees for the supply of electricity to Building Contractors</b>		
<b>4.1</b>	<b>Connection fees other than 3 phase</b>		
	Connection fees (including disconnection)	418.07	441.48
	Plus all kilowatt hours consumed at Maximum period of supply 6 months	1.39	1.47
<b>4.2</b>	<b>3 phase connections</b>		
	Connection fee (including disconnection)	819.70	865.60
	Plus all kilowatt hours consumed at no Maximum period of supply 6 months	1.44	1.52
<b>5</b>	<b><u>Availability Charge</u></b>		
<b>5.1</b>	<b>Availability Charge is payable in respect of all poperties, which can be yet or not served by the electricity reticulation network .</b>	205.71	217.23
	<b>INCLUSIVE OF VAT</b>		

SECTION B: CONSUMER DEPOSIT			
1	<u>Domestic Supply</u>	2013/2014	2014/2015
	Ametuer sporting clubs		
	Charitable institutions		
	Churches		
	Government dwellings and institutions		
	Private dwelling houses		
	Retirement and care centres		
	Townhouses		
	Residential Flats	3 600.00	4 000.00
2	<u>Low Cost Housing Schemes</u>		
2.1	where valuation of property is below R75 000.00 (receives free refuse)		
2.2	where valuation of property exceed R75 000.00	375.00	600.00
3	<u>Households With Pre Paid Electricity</u>	385.00	600.00
3.1	<u>Properties Occupied by Tenants</u>		
	Deposit to be equivalent to three times the refuse charge		
4	<u>Commercial supply</u>		
4.1	Deposit to be based on three times the average monthly account over a period of three months of a similar business or three times the average account over a period of three months of the previous consumer		
4.2	Should the business to be operated be of the same type or per discretion of the chief financial officer or his assignee with a minimum of	4 400.00	6 000.00
4.3	Bank guarantees are not acceptable		
5	<u>Commercial Consumer with Pre Paid Electricity</u>		
5.1	refuse removal service at least one day per week	583.00	1 000.00
5.2	refuse removal service at least six day removal per week	1 470.00	2 000.00
	<b>INCLUSIVE OF VAT</b>		

SECTION C: SUNDRY ELECTRICITY CHARGES		2013/2014	2014/2015
<b>1</b>	<b><u>Testing Fee</u></b>		
1.1	Special fee for testing installation at consumers request	156.40	165.00
1.2	Meter test		-
	Prepayment meter testing fee	398.50	420.00
	single phase conventional meter	533.00	562.00
	400V Three phase conventional meter	687.90	726.00
	11 kv meter	cost+10%	cost+10%
1.3	Inspection fee, after failure upon first test		
1.4	fee for checking meter reading (which fee will be refunded should the reading be found to be in corrected )	257.90	272.00
<b>2</b>	<b><u>Disconnection charge</u></b>		
2.1	Final Notice of demand		
2.1.1	Properties within the Municipality	187.60	198.00
2.1.2	Properties outside the Municipality(Plus 32c/km)	187.60	198.00
2.1.3	Where the disconnection is performed by a private contractor at the request of the manager financial services	375.20	396.00
<b>3</b>	<b><u>Reconnection charge (penalties for services that may be disconnected if not paid on due date)</u></b>		
3.1	for none -payment of account	187.60	198.00
3.2	for other reasons, per each occasion	187.60	198.00
3.3	Connection Charge-after office hours	551.20	582.00
<b>4</b>	<b><u>SERVICE CONNECTION FEES (NEW TARIFFS)</u></b>		
4.1	Single phase prepayment connection (60 amp)	1 825.00	1 927.00
4.2	Single phase prepayment connection (Sunnydale 20 amp)	900.00	950.00
4.3	Upgrade single phase prepayment connection (20 amp -60 amp)(KDS /Sunnydale)	11 560.00	12 207.00
4.4	Alternative single phase prepayment connection including ready board and cable	3 730.00	3 938.00
4.5	Single phase meter conversion from conventional to prepayment (Domestic and Small Business )	1 245.00	1 314.00
4.6	Three phase meter conversion from conventional to three phase prepayment (Domestic and Small Business)	4 235.00	4 472.00
4.7	Single phase conventional connection (see council resolution )	1 480.00	1 562.00
4.8	Second single phase prepayment connection on the same or subdivided premises	14 428.00	15 235.00
4.9	Single phase meter conversion from conventional to three phase conventional (domestic and Small Business)	15 180.00	16 030.00
4.10	Single phase meter conversion from conventional to three phase prepayment meter (Domestic and Small Business )	16 683.00	17 617.00
4.11	Domestic conversion from single to three phase maximum demand on connection (100 amp)	17 330.00	18 300.00
4.12	Domestic three phase conventional connection with a maximum demand of 100 amp	16 820.00	17 761.00
4.13	Domestic three phase prepayment connection	4 357.00	4 600.00
4.14	New 80A single phase supply or conversation from 60A to 80A	4 966.00	5 244.00
4.15	Non-domestic three phase connection with a maximum demand of 100 Amp	20 720.00	21 880.00
4.16	Conversion from 80A single phase prepayment to 3 phase prepayment connection	11 435.00	12 075.00
4.17	Three phase connection with a max demand greater than 60Amp(100A Eshowe ) all cost plus 10% of all equipment necessary plus the cost of the infrastructure contribution for additional electricity above that being existing or allowed based on the zoning and premises		
5	Tampering Fee	2 050.60	2 165.00
6	Pre Paid Electricity Identification Card	50.00	50.00
7	Moving /Relocation of a payment meter	725.70	766.00
8	Replacement of damaged or burnt-out prepayment meter single phase	819.60	865.00
9	Replacement of damaged or burnt-out prepayment meter three phase	3 210.00	3 389.00
10	Certificate of compliance -revisit fee	542.20	572.00
	<b>INCLUSIVE OF VAT</b>		

WASTE MANAGEMENT			
SECTION C: REFUSE REMOVAL FEES			
1	ESHOWE	2013/2014	2014/2015
1.1	Domestic (removal service one day per week) Per refuse receptacle, per month	127.58	134.72
	Properties Occupied by tenants : refuse charges to based on a number of tenants (per property )		
1.2	Removal of refuse from business and other premises		
	Per refuse receptacle for a service of at least one day per week per month	194.60	205.50
	Per refuse receptacle for a six days per week clearance ,per month	491.32	518.83
1.3	King Dinuzulu Users		
	Residential	127.58	134.72
	Business	194.60	205.50
1.4	Mass Container removal service		
	per container ,per month	4 107.97	4 338.02
	Mass Container removal service per container where the consumer supplies the container for 12 months	727.70	768.45
	Thereafter per month	4 107.97	4 338.02
	2 Mass containers + 4 Receptacle	9 703.45	10 246.84
1.5	Schools		
	Removal service one day per week	196.76	207.78
	Per refuse receptacle for a six days per week clearance ,per month at schools	491.32	518.83
1.6	Hire of garden refuse container 'skip' for 2 day period	330.00	350.00
1.7	Removal of builders' rubble from properties per load of 2,3m or part hereof	691.60	732.00
1.8	Per polythene plastic bags	2.30	3.00
1.9	One bag of polythene black plastic bags(20 bags )	40.00	43.00
1.10	Making use of transfer station		
	Businesses(including garden service )	196.90	208.30
	Builders rubble	196.90	208.30
1.11	Lot Clearing per lot	cost + 10%	cost + 10%
2	MTUNZINI		
	Removal of household ,domestic or business refuse from all properties /for 2 removals per week, per month or part thereof -		
2.1	Domestic including clubs	127.58	134.72
2.2	Hotels and supermarkets	796.94	841.57
2.3	Other food handling businesses	491.10	518.60
2.4	Non -food handling businesses	194.60	205.50
2.5	schools	196.76	207.78
2.6	Caravan parks for every 10 sites or part thereof	134.05	141.56
2.7	For every additional removal per load or part hereof	194.60	205.50
2.8	General Residential II sites per unit	134.05	141.56
2.9	Prawn farm	194.60	205.50
2.10	Use of refuse dump by instances outside municipal area, per month or part thereof	1 467.00	1 549.15
2.11	Removal of refuse other than household or domestic per load thereof	196.80	207.82
2.12	Removing of building rubble, per load thereof	691.60	731.00
2.13	Removal of Garden refuse per black bag	26.30	27.00
2.14	Making use of transfer station		
	Businesses(including garden services )	200.00	211.20
	Builders rubble	200.00	211.20
2.15	Lot Clearing per lot	Cost+10%	Cost+10%
3	GINGINDLOVU		
3.1	Commercial per month	194.60	205.50
	Commercial (bulk) per month	149.90	158.29
	Mass Container removal service	-	10 246.84
3.2	Residential Per month	127.58	134.72
3.3	Garden Refuse per black bag or part thereof	26.30	27.00
3.4	Rubble Removal per load or part thereof	691.60	731.00
3.5	Lot Clearing per lot	Cost+10%	Cost+10%
	INCLUSIVE OF VAT		

1	ADVERTISEMENTS	2013/2014	2014/2015
	<u>Displaying of advertisements</u>		
	General advertisement of events, meetings ,Billboards, direction signage and any other signage determined by the council may be subjects to the services of an Advertisement Consultant Company. Application fee for all Advertising	105.00	110.00
1.1	Posters and Flags ( <u>per poster or flags per month</u> )		
	General	16.00	17.00
	Welfare Organisation	1.00	1.00
	Political(per announced election period )	1.00	1.00
1.2	Per banner per month	127.00	134.00
1.3	Billboards -per Bill Board annual charge irrespective if display period is less than one year	15 825.00	16 710.00
1.4	Deposit of 50% of quantities display-such deposit shall be retained by Council to cover costs incurred <u>if advert are not removed within the determined time period as stipulated in the Advertising Bylaws.</u>		
2	<u>HANDBILLS</u>		
2.1	For the permission to distribute handbills within the Municipality ,Per month	633.00	668.00
2.2	For the permission to distribute handbills within the Municipality ,Per year	4 220.00	4 456.00
3	<u>COMMUNITY HALLS</u>		
3.1	<u>HIRE FEE FOR COMMUNITY HALLS</u>		
	General functions including weddings,concerts,concerts,dances,exhibitions ,tournament and any other function which derives a financial benefit	2 110.00	2 228.00
	Religious Services	211.00	222.00
	Public Meetings	211.00	222.00
	Hire of community Halls facilities by non residential for any purposes		
	Political Meetings	264.00	278.00
	For any other purpose approved by the Council per day	1 266.00	1 336.00
	Hire of Premier conference Centre	1 055.00	1 114.00
3.2	<u>DEPOSIT FEE FOR COMMUNITY HALLS</u>		
3.2.1	General functions including weddings,concerts,concerts,dances,exhibitions ,tournament and any other function which derives a financial benefit	3 693.00	3 899.00
3.2.2	Religious Services	211.00	222.00
3.2.3	Public Meetings	211.00	222.00
3.2.4	For any other purpose approved by the Council per day	844.00	891.00
3.2.5	Political Meetings	528.00	557.00
	<u>INCLUSIVE OF VAT</u>		

4	TOWN PLANNING	2013/2014	2014/2015
4.1	Consideration for approval of subdivisions/consolidations		
4.1.1	Basic fee	1 160.00	1 224.00
4.1.2	Additional fee ,per subdivision (Remainder to be considered a subdivision)	116.00	122.00
4.1.3	Amendments of subdivision in process	232.00	244.00
4.1.4	Application for registration of right of way servitudes/long term lease . Administration fee (note -this excludes legal fees )	232.00	244.00
4.1.5	Application for phasing /cancellation of approved layout plans Administration fee	1 740.00	1 837.00
4.2	Application for relaxation of building line and /or side and rear spaces in terms of town planning clauses (per application)	739.00	780.00
4.3	Rezoning Applications		
4.3.1	Rezoning of unused public open spaces in line with Council's Policy (note advertisement ,closure and subdivision/consolidation fees would still apply)		
4.3.2	Other rezoning		
	(i) less than one ha	2 321.00	2 450.00
	(ii) 1 hectare and over but less than 5 hectares	2 901.00	3 063.00
	(iii)5 hectares and over but less 10 hectares	4 220.00	4 456.00
	(iv)10 hectares and over	5 803.00	6 127.00
4.4	Zoning certificates	53.00	55.00
4.5	Special Consent		
4.5.1	Consent to operate home industry without additional employment opportunities (Category A)	580.00	612.00
4.5.2	All other consent use application (category B)	1 160.00	1 224.00
4.6	Removal of Restrictive Conditions of Title	1 160.00	1 224.00
4.7	Closure of Public Street/opens spaces -Administration Fee	274.00	289.00
4.8	Administration of DFA Applications:		
	(i) less than one ha	2 321.00	2 450.00
	(ii) 1 hectare and over but less than 5 hectares	2 901.00	3 063.00
	(iii)5 hectares and over but less 10 hectares	4 220.00	4 456.00
	(iv)10 hectares and over	5 803.00	6 127.00
4.9	Development outside of schemes areas		
	(i) less than one ha	3 482.00	3 676.00
	(ii)5 hectares and over but less than 10 hectares	5 275.00	5 570.00
	(iii)10 hectares and over	8 124.00	8 578.00
4.10	Public notice		
4.10.1	Notices in the legal section	2 321.00	2 450.00
4.10.2	Notices in the body of the paper	5 803.00	6 127.00
4.11	Hearings		
4.12	Fines -as per section 75 and 89 of the planning and development act		
4.12.1	finer as per section 75		
4.12.2	Additional Penalties in accordance with section 76		
4.12.3	Section 89 Civil penalty	10-100% of value	
		illegal building	
		constration,etc	
	in light of the introduction of the new planning and development Act in April 2010,the tariffs have had to be revised so as to respond to the planning processes including there in .in that regard ,all proposal now read as per tariff. In the instance that multiple applications are lodged for consideration of council, individual tariffs will be applicable to each type of application included on the application form. Application previous known as 'consent uses' will now be known as Formal Authority throughout the councils jurisdiction. this is in line with PDA . Application previously known as ' special consent ' will be now known as Consent throughout the councils jurisdiction. This is the new line with the PDA		
	INCLUSIVE OF VAT		

5	ENCROACHMENT- SIGNS	2013/2014	2014/2015
	Street Encroachment		
	the charges for the street encroachment shall be payable annually in advance per sign as follows		
5.1	Veranda posts, each	348.00	367.00
5.2	verandah,ground floor. per m or part thereof and including cantilevers overhanging the pavement or footpaths ,per m or part thereof	26.00	27.00
5.3	Sign boards on, or overhanging the footpaths or pavement, each	528.00	557.00
5.4	Building Rubble, sand and the like left on the pavement per day or part thereof	127.00	134.00
5.5	Display of signs for hotels, boarding houses, guest houses and bed and breakfast (maximum 4 signs per establishment ),per annum	475.00	501.00
5.6	Any other signage excluded from 5.5, per sign per month	211.00	222.00
6	MISCELLANEOUS SERVICES		
	The following fee shall be paid to the Manager Financial Services in advance for the production of documents, provision of certificates and extract information from records		
6.1	Search fee per account, document or file produced for inspection or duplicate account made	53.00	55.00
6.2	Certified copy of extract from council's minutes and or hearing per page	53.00	55.00
6.3	Rates certificate ; manual RCC	300.00	350.00
	electronic RCC	150.00	160.00
6.4	Another certificate for each certificate	58.00	60.00
6.5	Standards and other bylaws per copy	84.00	90.00
	extract bylaws per page or part thereof	21.00	22.00
6.6	Valuation roll per town	791.00	835.00
6.7	Valuation roll per folio	21.00	22.00
6.8	Voters roll per folio	21.00	22.00
6.9	General Photocopy fees	7.40	7.00
6.10	Clearing of vacant lots	1 055.00	1 114.00
6.11	Tenders Documents -unless specifically prescribed	422.00	445.00
6.13	Any occupier or owner of a stand within uMlalazi Municipality will, subject to non-compliance or default to a statutory notice directing him/her to cut clear a stand, have a stand ,have the stand cut by Umlalazi Municipality and the same costs placed on his/her consumer account	580.00	620.00
7	LIBRARIES	2013/2014	2014/2015
7.1	Overdue library material excluding videos	4.20	5.00
7.2	Overdue video material	5.30	6.00
7.3	Overdue library books including talking books	4.20	5.00
7.4	Overdue DVD material	6.30	7.00
7.5	Overdue Technicon Books	6.30	7.00
7.6	Lost book identity card	42.00	45.00
7.7	Lost patron card	42.00	45.00
7.8	Lost Technicon card	42.00	45.00
7.9	2 notification letter /post card	21.00	23.00
7.1	Photocopies of Library material per page	0.50	1.00
8	PROMOTION OF ACCESS TO INFORMATION		
8.1	Application Fee	53.00	56.00
8.2	for every A4 photocopy relating to the promotion of access to information act	4.20	5.00
8.3	for a copy in a computer readable format:- compact disk	69.00	73.00
	copy of an audio record	69.00	73.00
8.4	to search for the record for disclosure for each hour excluding the first hour	42.00	45.00
8.5	the actual postal fee is payable when a copy of a record must be posted ton a requester		
9	PUBLIC TOILETS		
9.1	Usage of public toilet per person	3.10	4.00
9.2	collection of water for cooking ,washing cars or other per litre	1.20	2.00
10	SWIMMING POOLS SUNNYDALE		
10.1	Day ticket- children	5.30	6.00
10.2	Day ticket- Adults	7.90	9.00
	season tickets - children	53.00	56.00
10.3	season tickets- Adults	79.00	84.00
	INCLUSIVE OF VAT		

<b>11</b>	<b>GARDEN REFUSE AND BUILDING RUBBLE TARIFFS</b>		
11.1	Garden Refuse - per ton load or part thereof	58.00	62.00
11.2	Commercial- per ton load	211.00	223.00
11.3	Building Rubble- per ton load	211.00	223.00
11.4	Mixed domestic waste -per ton load	100.00	106.00
11.5	Timber /tree stumps -per ton load	211.00	223.00
<b>12</b>	<b>BUILDING PLAN TARIFFS</b>		
12.1	NEW WORKS		
12.1.1	for new building or additions to existing building per square metre		
12.1.2	for the first 20 metre square	210.00	222.00
12.1.3	Each additional 10 m square or part thereof up to 5000 m square metre	130.00	138.00
12.1.4	Each additional 10 m square or part thereof more than 5000 m square and up to 15000 m	55.00	59.00
12.1.5	Each additional 10 m or part thereof more than 15 000 m square metre	35.00	37.00
<b>12.2</b>	<b>AS BUILT OR AMENDED PLANS</b>		
12.2.1	for as built plans,25% of existing submission fee ,plus full tariff for additional new works	25%of fee plus full tariff	25%of fee plus full tariff
<b>12.3</b>	<b>INTERNAL ALTERATIONS TO EXISTING BUILDINGS</b>		
12.3.1	Any form of internal alterations to existing buildings of any nature not defined as "as built " or amended plans "(i.e. plans passed and structures which have already passed occupation requirements)		
12.3.2	Fixed tariff: Structures up to 500 square metre	320.00	337.00
12.3.3	Structures up to 5000 square metre	630.00	665.00
12.3.4	Structures exceeding 5000 square metre	1 000.00	1 056.00
12.3.5	for the renewal of plans have expired		
12.3.6	for swimming pools	320.00	337.00
12.3.7	for boundary walls /fences	320.00	337.00
12.3.8	for any other plan submitted other than described above ,a fixed tariff of	420.00	443.00
12.3.9	for a permit for minor structures in terms of Act 103 of 1977, a fixed tariff of	210.00	221.00
<b>13</b>	<b>PRODUCTION OF MAPS /BUILDING PLAN</b>		
<b>13.1</b>	<b>OZALID COPIER</b>		
	A 1 PAPER	40.00	42.00
<b>13.2</b>	<b>HP COPIERS BLACK/WHITE PRINTS</b>		
13.2.1	A 4	20.00	21.00
13.2.2	A 3	25.00	26.00
13.2.3	A2&A1	40.00	42.00
13.2.4	A0	60.00	63.00
<b>13.3</b>	<b>HP COPIERS COLOUR PRINTS</b>		
13.3.1	A 4	30.00	31.00
13.3.2	A 3	50.00	52.00
13.3.3	A2&A1	140.00	147.00
13.3.4	A0	190.00	200.00
<b>13.4</b>	<b>LAMINATE COPIES</b>		
13.4.1	A2&A1	50.00	52.00
13.4.2	A0	70.00	73.00
<b>13.5</b>	<b>AO SCANNER,COPIER &amp;PRINTER</b>		
13.5.1	A0 PAPER	40.00	42.00
13.5.2	A1 PAPER	25.00	26.00
13.5.3	A0 PLASTIC	85.00	89.00
13.5.4	A1 PLASTIC	50.00	52.00
<b>14</b>	<b>ENGINEERING INSPECTIONS AND APPLICATIONS</b>		
14.1	P.T.O. Applications	370.00	390.00
14.2	Sewer Applications	210.00	221.00
14.3	Encroachments(per side )	190.00	200.00
14.4	Site visit for boundaries line (per peg)	190.00	200.00
<b>15</b>	<b>ROAD CROSSING RE-INSTATEMENTS</b>		
15.1	Premix surfacing per square metre	120.00	126.00
15.2	Base (G2 crusher run)per square metre	130.00	137.00
	<b>INCLUSIVE OF VAT</b>		



16	CEMETERY TARIFFS	2013/2014	2014/2015
16.1	<b>TARIFFS FOR RESIDENTS</b>		
16.1.1	Burial for stillborn/infant	700.00	739.00
16.1.2	Burial for person under the age of 12 years	810.00	855.00
16.1.3	Burial for person over the age of 12 years	1 055.00	1 114.00
16.1.4	Burial Double deep	1 795.00	1 895.00
16.1.5	Burial Casket	1 795.00	1 895.00
16.1.6	Double grave	2 110.00	2 228.00
16.1.7	Niche-Wall of Remembrance	350.00	369.00
16.2	<b>TARIFFS FOR NON-RESIDENTS</b>		
16.2.1	Burial for stillborn/infant	1 635.00	1 726.00
16.2.2	Burial for person under the age of 12 years	2 430.00	2 566.00
16.2.3	Burial for person over the age of 12 years	4 540.00	4 794.00
16.2.4	Double grave	6 860.00	7 244.00
16.2.5	Niche-Wall of Remembrance	580.00	612.00
16.3	<b>GENERAL</b>		
16.3.1	Opening a grave for exhumation	8 440.00	8 912.00
16.3.2	Permission to erect memorial stone	295.00	311.00
16.3.3	Proof must be handed in that the <b>deceased</b> was resident in the Council's area or jurisdiction for continuous period exceeding 3 months		
16.3.4	Burial plot sizes: adult -2.5m*1.5m*1.8m deep		
16.3.5	Burial plot sizes : child -1.5m*1.0*1.8m* deep		
16.3.6	Burial aperture sizes : adult - 2.2m *0.9m*1.8m deep		
16.3.7	Burial aperture sizes : child - 1,2m*0,7m*1,8m		
17	<b>TAXI RANK TARIFFS</b>		
	Permit per Annum	105.00	110.00
18	<b>POUND TARIFFS</b>		
18.1	Transportation Fee		
	Amount payable to Pound Master:		
	The kilometre tariff for the vehicle which, in the discretion of the pound keeper, is reasonably necessary to transport the relevant animal to the pound, as determined by the Automobile of South Africa (AA) from time to time.		
	Amount payable to Council:	Nil	Nil
18.2	Pound fees		
	Amount payable to Pound Master:		
	a) R30.00 per day for any pig, sheep or goat		
	Amount payable to Council:	15.00	15.00
	b) R70.00 per day for any other animal		
	Amount payable to Council:	50.00	50.00
18.3	Other costs		
	Amount payable to Pound Master:		
	All other actual costs including tending, dipping or spraying, wound dressing, medication, veterinarian and any other costs incurred.		
	Amount payable to Council:	Nil	Nil
	<b>INCLUSIVE OF VAT</b>		

## CONTACT DETAILS

uMlalazi Municipality

P O Box 37  
Eshowe  
3815

Hutchinson Street  
Eshowe

Contact Person: Buks Koster  
Telephone: 035 473 3319 Fax: 035 474 1180

Website: [www.umlalazi.org.za](http://www.umlalazi.org.za)

Email: [Buks@umlalazi.org.za](mailto:Buks@umlalazi.org.za)